

# **SOURCE SELECTION**

## **TEXT/REFERENCE**



**FEDERAL ACQUISITION INSTITUTE  
OFFICE OF ACQUISITION POLICY  
FAC 90-18**

## PREFACE

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# SOURCE SELECTION

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# **PREFACE**





## **THE FEDERAL ACQUISITION INSTITUTE (FAI) CURRICULUM**

### The Courses

In FY91, the FAI began providing Federal acquisition trainers and educators with instructional materials for a new Contract Management curriculum. This curriculum includes the following courses, listed in a recommended order of attendance.

1. Introduction to Contracting\*
2. Procurement Planning\*
3. Small Purchases
4. Contracting By Sealed Bidding\*
5. Price Analysis\*
6. Contracting By Negotiation\*
7. Cost Analysis\*
8. Negotiation Techniques
9. Government Contract Administration\*
10. Government Contract Law
11. Types of Government Contracts
12. Source Selection
13. Advanced Procurement Management
14. Advanced Cost and Price Analysis
15. Advanced Contract Administration
16. Termination

### **Specialized Courses**

*(in alphabetical order)*

1. Acquisition of Federal Information Processing (FIP) Resources
2. Contracting for Architect/Engineer Services
3. Construction Contracting\*

### Offerors

Each of the above courses will be offered by the General Services Administration Interagency Training Center. Other Federal acquisition trainers and educators may incorporate FAI instructional materials in their respective curricula (generally under different course titles than the above).

\* Currently available.

## **PURPOSE OF THE FEDERAL ACQUISITION INSTITUTE CURRICULUM**

### To Help You Accomplish The Goals Of The Federal Acquisition Process:

As a Contract Specialist, your primary goals are to:

1. Obtain the optimum market response to requirements for supplies and services, in terms of:

- Quality
- Timeliness
- Price

While—

- Accomplishing socioeconomic objectives
- Minimizing business and technical risks
- Maximizing competition
- Maintaining integrity.

2. Assure that purchased supplies and services are:

- Delivered or performed when and where specified in the contract
- Acceptable, in terms of conforming to the contract's specifications or statement of work
- Promptly and properly reimbursed
- Provided in compliance with other terms and conditions of the contract.

### To Help You Perform Your Duties

To accomplish these goals, Contract Specialists perform more than 75 principal duties. Collectively, these duties constitute the Federal acquisition process. *Exhibit P-1* maps the acquisition process and relates each duty to the overall process. The FAI curriculum has been designed to systematically develop your skill at every duty in *Exhibit P-1*, in the context of accomplishing the overall goals of the Federal Acquisition Process.

### Your Challenge

Your challenge is to become proficient in performing the duties described *Exhibit P-1*. Granted, you may presently perform only a subset of the duties. In terms of your career, however, learning the entire range of duties will improve your competitiveness for a great variety of contracting positions, including managerial positions. From the standpoint of the Government, you will be better able to perform any one duty if you have first hand knowledge of how the duty affects, and is in turn affected by, the performance of the other duties.

## PRESOLICITATION PHASE

Determination of Need	Initiating the Procurement	Analysis of Requirement	Sourcing
<b>Determining Needs</b> 1. Forecasting Requirements 2. Acquisition Planning	<b>Processing the PR</b> 3. Purchase Requests 4. Funding <b>Market Research</b> 5. Market Research	<b>Analyzing Requirements</b> 6. Specifications 7. Statements of Work 8. Services	<b>Extent of Competition</b> 9. Sources 10. Set-Asides 11. 8(a) Procurements 12. Competition Requirements 13. Unsolicited Proposals  <b>Selection Factors</b> 14. Lease vs. Purchase 15. Price Related Factors 16. Technical Evaluation Factors  <b>Method and Plan for the Procurement</b> 17. Method of Procurement 18. Procurement Planning

## SOLICITATION-AWARD PHASE

Solicitation	Evaluation—Sealed Bidding	Evaluation—Negotiation	Award
<b>Terms and Conditions</b> 19. Contract Types 20. Letter Contracts 21. Contract Financing 22. Use of Government Property and Supply Sources 23. Need For Bonds 24. Solicitation Preparation  <b>Soliciting Offers</b> 25. Publicizing Proposed Procurements 26. Preaward Inquiries 27. Prebid/Preproposal Conferences 28. Amending Solicitations 29. Cancelling Solicitations	<b>Bid Evaluation</b> 30. Processing Bids 31. Bid Acceptance Periods 32. Late Offers 33. Bid Prices 34. Responsiveness	<b>Proposal Evaluation</b> 35. Processing Proposals 36. Technical Evaluation 37. Price Objectives 38. Cost and Pricing Data 39. Audits 40. Cost Analysis 41. Evaluating Other Terms and Conditions 42. Competitive Range  <b>Discussions</b> 43. Factfinding 44. Negotiation Strategy 45. Conducting Negotiations	<b>Selection for Award</b> 46. Mistakes in Offers 47. Responsibility 48. Subcontracting Requirements 49. Preparing Awards  <b>Executing Awards</b> 50. Award 51. Debriefing  <b>Protests</b> 52. Protests  <b>Fraud and Exclusion</b> 53. Fraud and Exclusion

*Exhibit P-1*

## POST-AWARD ADMINISTRATION PHASE

Start-Up	Quality Assurance	Payment and Accounting	Closeout
<b>Planning</b> 54. Contract Administration Planning 55. Post-Award Orientations  <b>Ordering</b> 56. Ordering Against Contracts and Agreements  <b>Subcontracting</b> 57. Consent to Sub-contracts	<b>Monitoring and Problem Solving</b> 58. Monitoring, Inspection, and Acceptance 59. Delays 60. Stop Work 61. Remedies  <b>Property</b> 62. Property Administration  <b>Reporting Performance Problems</b> 63. Reporting Performance Problems	<b>Payment</b> 64. Limitation of Costs 65. Payment 66. Unallowable Costs 67. Assignment of Claims 68. Collecting Contractor Debts 69. Progress Payments 70. Price and Fee Adjustments  <b>Accounting</b> 71. Accounting and Cost Estimating Systems 72. Cost Accounting Standards 73. Defective Pricing	<b>Closeout</b> 74. Closeout

## POST-AWARD ADMINISTRATION PHASE (cont.)

Contract Modification	Termination	Claims	
<b>Modifications/Options</b> 75. Contract Modifications	<b>Termination</b> 76. Termination 77. Bonds	<b>Claims</b> 78. Claims	

*Exhibit P-1*

## CHARACTERISTICS OF FAI COURSES

- Each course in the curriculum builds on the skills and knowledge taught in prior courses.
- Each course covers specific duties and is designed to provide skill in performing those duties.
- Generally, there is a separate lesson for each duty, with a corresponding chapter in the Text/Reference.
- In most cases, your instructor will introduce the duty, its purpose (learning objective), applicable policies, and standards for performance.
- Next, the instructor will walk you through a flowchart of the steps in performing the duty.
- You will perform selected steps in-class, using case studies and other such exercises.
- You will be tested.
- For each duty, the Text/Reference serves as a desk reference, with flowcharts, steps in performance, and job aids.
- Practicums (i.e., self-instructional exercises) will be available at a later date to reinforce the in-class learning back on-the-job.
- Specialized courses (e.g., Construction Contracting) do not reteach the basic acquisition process, but rather concentrate on the unique regulations and procedures related to acquiring that type of deliverable.

## OVERVIEW OF SOURCE SELECTION

### Duties .

The following are among the primary duties from *Exhibit P-1* covered in this course:

<i>Unit of Instruction</i>	<i>Duty</i>	<i>Chapter(s)</i>	<i>Focus:</i>
2	Acquisition Planning	1	Creating the overall acquisition plan
18 Part B	Acquisition Planning	2	Creating the Source Selection Plan
16	Solicitation Preparation	3	Developing evaluation factors
36	Technical Evaluation	4	Instructing the technical evaluation team Obtaining technical evaluation report(s)
42	Competitive Range	5	Determining the competitive range
45	Conducting Negotiations	6	Conducting negotiations Requesting BAFO
49	Preparing Awards	6	Briefing the SSA Preparing the contract
50	Award	6	Executing contract Making postaward notifications
51	Debriefing	6	Debriefing offerors

### Length

One week (5 days)

### Who Should Attend

Contract Specialists (GS-9 to GS-13) who have completed the following three courses (or an equivalent course or courses):

- Introduction to Contracting
- Procurement Planning
- Contracting by Negotiation
- Price Analysis
- Cost Analysis
- Government Contract Administration

## USING THE TEXT / REFERENCE IN THE CLASSROOM

### Classroom Learning Objectives (CLOs)

At the beginning of each chapter, we have listed the classroom learning objectives for that chapter. We have written the text/reference to provide you with the information necessary to accomplish those objectives. Likewise, the classroom instruction and exercises are designed to help you attain those objectives.

Most of the objectives are written in terms of your performance of a duty or task. For example, The Text/Reference provides a step by step guide to performing the duties. In the classroom, you will have opportunities to practice performance of the duties—using the Text/Reference as your guide—through the use of such instructional techniques as interactive viewgraphs and case studies.

### Interactive Viewgraphs

An interactive viewgraph is a slide on the overhead projector that requires a response from the class. For example, if the instructor is showing a decision table, the “then” side would be empty and you would help fill in the answers. Or perhaps the slide asks a particular question about a list of conditions shown on the slide. Most viewgraphs are represented in the Text/Reference as Exhibits.

### Case Studies

Case studies are written as scenarios or stories about particular procurement situations. There are several questions that follow the scenarios relating to the case and the particular lesson. Sometimes you have to use information in the Text/Reference to complete a case study.

### Reading Assignments

You are responsible for assigned readings from the chapters. You will spend minimal time listening to lectures. Our philosophy is that you learn best by doing the tasks under simulated conditions.

### Testing

There will be one written test. It will contain approximately 35 questions and will be administered on the last day of class. Test items are taken only from the readings assigned by your Instructor.

The test should take no more than 75 minutes. All test questions were developed to verify the learning acquired from the course learning objectives which appear on the first page of each chapter in the Text/Reference.

## **USING THE TEXT / REFERENCE AT YOUR JOB SITE**

The Text/Reference was developed to be used at your job site as well as in the classroom. Its step by step approach, FAR references, structured writing, and index are all designed for the easy and quick retrieval of information about the contracting process. Each Text/Reference is “dated” by indicating which FAC of the FAR system it is current through. This lets you know exactly how up to date it is. You may contact the FAI for updates or annotate your own copy as FAR policy changes.

## **COMMENTS**

The book has not yet been written that does not contain some typos, incorrect citations, missing information, or technical inaccuracies. If this book is helpful to you, and you would like to help make it better, please send any corrections you recommend to the Federal Acquisition Institute (FAI) in care of GSA-VF, 18th and F Sts., NW, Washington, DC, 20405.



## **ABOUT THE FAI**

As directed by the Office of Federal Procurement Policy Act, as amended, the Federal Acquisition Institute (FAI) has been working for more than a decade to (1) foster Government-wide career management programs for a professional procurement work force; and (2) promote and coordinate Government-wide research and studies to improve the procurement process and the laws, policies, methods, regulations, procedures, and forms relating to procurement by the executive agencies.

For example, the FAI over the years has:

- Published annual demographic reports on the Federal acquisition workforce, showing trends in qualifications, turnover, and hiring.
- Developed and published guidance for the consideration of Federal Procurement Executives in establishing the procurement career management programs required by the Office of Federal Procurement Policy Act, as amended.
- Assisted colleges and universities in establishing courses and programs in acquisition disciplines, published directories of such academic courses and programs, and reviewed the equivalency of those courses and programs in meeting Federal training requirements.
- Supported the Office of Personnel Management (OPM) in developing standards and examinations for acquisition positions.
- Assisted Federal managers and supervisors in identifying and recruiting highly qualified candidates for acquisition fields (e.g., by publishing recruiting brochures, preparing other recruitment materials, coordinating recruitment at selected colleges).
- Developed a Contract Specialist Workbook, as a desk reference for performing 78 core Contract Management duties.
- Developed instructional materials (including this and other text/references, instructor guides, and test/banks) for Contract Management courses.
- Assisted agencies in establishing competency-based training, education, and certification programs.
- Developed and field tested a staffing standards model for contracting activities.

## **ABOUT THE GSA INTERAGENCY TRAINING CENTER**

The U.S. General Services Administration (GSA) was founded to serve other Federal agencies, State and local governments, and the public. An important part of this service is helping governmental groups to fulfill their missions. The GSA Interagency Training Center supports other agencies' missions by providing quality training to their employees. For Federal acquisition specialists, the Interagency Training Center provides courses in the knowledge, skills, and abilities necessary to perform their duties.

To find the GSA Interagency Training Center courses most useful to your mission, consult *The GSA Interagency Catalog and Schedule*, which is published annually. For copies, contact the GSA Interagency Training Center by phone or letter at:

**GSA Interagency Training Center  
P.O. Box 15608  
Arlington VA 22215-0608  
FTS 703 557-0986**

# INTRODUCTION

## OVERVIEW OF THE FEDERAL ACQUISITION PROCESS

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### Chapter Vignette

*John was an experienced contract specialist and felt very confident about his ability to handle most procurements. After all, he had successfully handled more than three hundred sealed bidding acquisitions in the past two years alone. However, he felt some nervousness when he was notified that he might have to assist a “Source Selection Evaluation Board” for what was expected to be a high cost procurement. He had never worked with such a board before. He heard this upcoming procurement would probably be based on “best value,” rather than lowest cost alone. He also heard that there would be intense competition among the offerors. Most disturbing, he remembered that a similar procurement during the past year had resulted in several protests based on the Government’s evaluation of the offers. He wondered how he could best prepare for the work ahead.*

## Course Learning Objectives

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In this Chapter

At the end of this chapter, you will be able to:

1. Identify the phases of the Federal Acquisition Process.
  2. Recognize and briefly describe the process and functions that occur during presolicitation and solicitation-award phases of the acquisition process.
-

**Chapter****Overview**

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## Introduction

This course lays the basis for studying Source Selection by:

- presenting an overview of the Federal Acquisition Process and its goals
  - showing the relationship of the source selection process to the entire Federal Acquisition Process
- 

Topics covered  
in this Chapter

This chapter includes:

SECT.	TITLE	PAGE
I.1	Overview of the Federal Acquisition Process	I-4
I.2	Your Performance of Acquisition Functions and Duties	I-9
I.3	The Source Selection Process in the Federal Acquisition Process	I-10

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## I.1 Overview of The Federal Acquisition Process

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Introduction      The Source Selection Process is a part of the overall Federal Acquisition Process. Before you focus on the Source Selection Process, it is useful to recall the:

- Goals
- Phases
- Functions
- Duties

of the Federal Acquisition Process.

---

Goals of the Federal Acquisition Process      You may recall that the Federal Acquisition Process is designed to achieve 2 basic goals:

1. Obtain the optimum market response to requirements for supplies and services, in terms of:
  - Quality
  - Timeliness
  - Price

While:

- Accomplishing socioeconomic objectives
- Minimizing business and technical risks
- Maximizing competition
- Maintaining procurement integrity

2. Assure that purchased supplies and services are:
  - Delivered or performed when and where specified in the contract
  - Acceptable, in terms of conforming to the contract's specifications or statement of work
  - Furnished in compliance with other terms and conditions of the contract

---

## I.1 Overview of the Federal Acquisition Process (continued)

Phases of the  
Federal  
Acquisition  
Process

The Federal Acquisition Process is divided into three phases:

1. Presolicitation Phase
2. Solicitation-Award Phase
3. Post-award Administration Phase

Functions of  
Phases of the  
Federal  
Acquisition  
Process

In each of these phases, Government contract personnel perform several functions:

### **Functions of the Presolicitation Phase**

1. Determination of Need
2. Initiating the Procurement
3. Analysis of Requirement
4. Sourcing

### **Functions of the Solicitation-Award Phase**

1. Solicitation
2. Evaluation (Sealed Bid and Negotiation)
3. Award

### **Functions of the Post-Award Administration Phase**

1. Start-up
2. Quality Assurance
3. Payment and Accounting
4. Closeout
5. Contract Modification
6. Termination
7. Claims

Difference in  
the Federal  
Acquisition  
Process

While the Federal Acquisition Process involves the same basic phases and functions as any acquisition process, it differs greatly in the details of *how* those functions are performed.

## **I.1 Overview of the Federal Acquisition Process (continued)**

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### **Duties in the Federal Acquisition Process**

The following charts show the phases and functions of the Federal acquisition process, in terms of the specific duties that are related to each function.

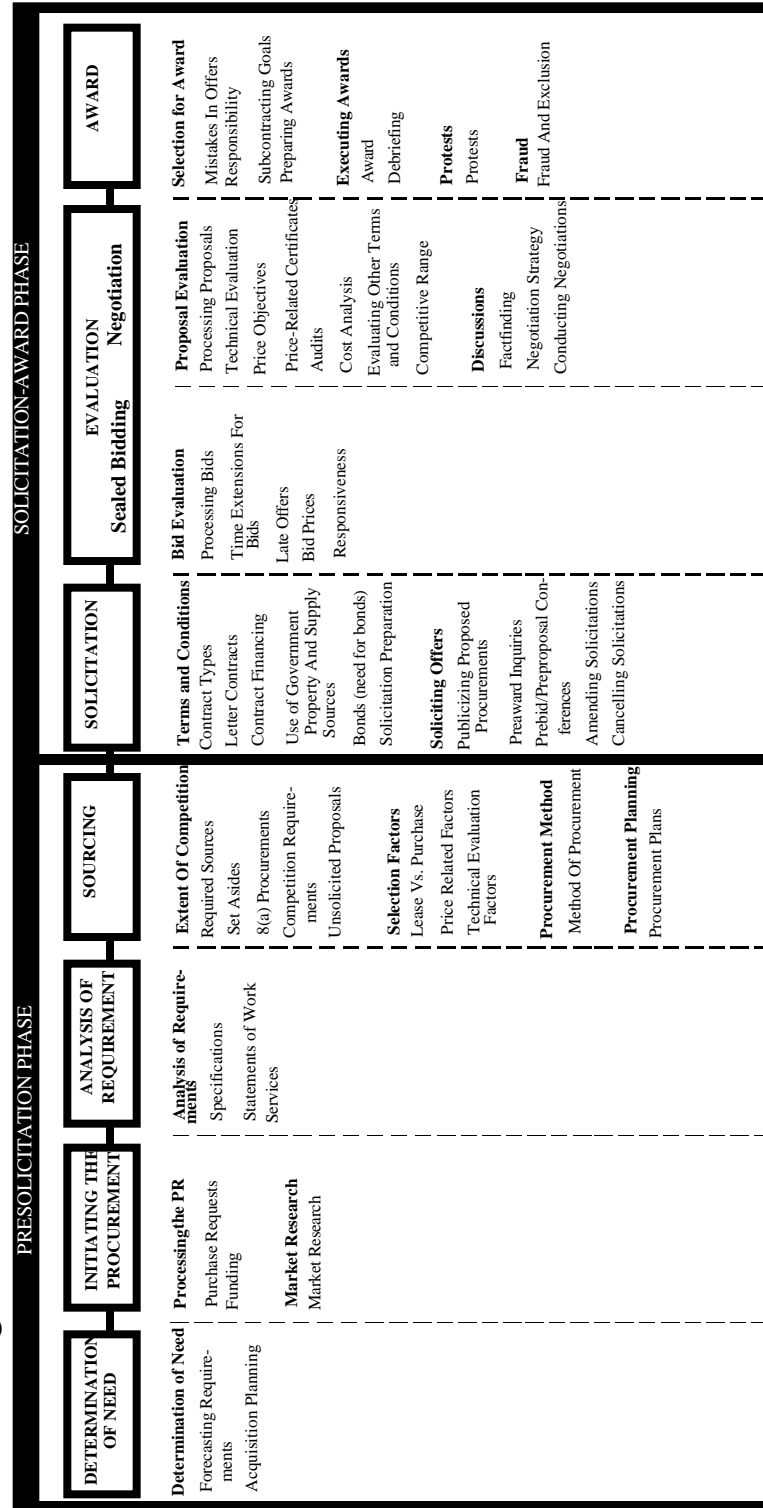
However, please note that not every function or duty applies to every acquisition. For example, many contracts are not modified, and few are terminated. Also be advised that the sequencing of functions or duties may vary from contract to contract. For example, some solicitations may be amended prior to the opening of proposals, but others might not be amended until after the Government has begun to evaluate proposals.

Also note that several agencies, most notably the National Aeronautics and Space Administration, use alternative source selection procedures for large acquisitions. Such source selection procedures depart markedly from the process described above, in terms of (1) steps in the process, (2) how those steps are performed, and (3) in the roles and responsibilities of the CO and other officials for the acquisition.

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# THE ACQUISITION PROCESS



*Federal Acquisition Process Chart.*

# THE ACQUISITION PROCESS

POST-AWARD ADMINISTRATION PHASE							SPECIALTIES			
START-UP	QUALITY ASSURANCE	PAYMENT AND ACCOUNTING	CLOSEOUT	CONTRACT MODIFICATION	TERMINATION	CLAIMS	SPECIALIZED AREAS			
<b>Planning</b> Contract Administration Planning Post-Award Orientations	<b>Monitoring and Problem Solving</b> Monitoring, Inspection and Acceptance Delays Stop Work Remedies A. Selection B. Cure or show cause notice C. Liquidated damages D. Rejection of work E. Express warranty or guarantee F. Implied warranty G. Latent defects	<b>Payment</b> Limitation Of Costs Invoices Unallowable Costs Assignment Of Claims Collecting Contractor Debts Progress Payments Price and Fee Adjustments <b>Accounting and Defective Pricing</b> Accounting and Cost Estimating Systems Cost Accounting Standards Defective Pricing	<b>Closeout</b> Closeout	<b>Modifications/Options</b> Contract Modifications A. Contract Modification B. Exercising Options	<b>Termination</b> Termination A. Determine whether to terminate for convenience or default B. Terminating for convenience C. Terminating for default Bonds (administering bonds)	<b>Claims</b> Claims	ADP/Telecommunications Construction A&E Systems Procurement Simplified Purchasing Real Property Leasing			
<b>Ordering</b> Orders Against Contracts/Agreements)										
<b>Subcontracting</b> Consent To Subcontracts										

## I.2 Your Performance of Acquisition Functions and Duties

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### Your Performance of Acquisition Functions

In the final analysis, your performance of acquisition functions and related duties should be judged NOT by:

- How faithfully you have observed the letter of the applicable laws and regulations (although your acquisitions must comply with those laws and regulations)
- The extent of competition for the requirement (although maximizing competition is a subgoal of the process)
- Whether you have obtained a lower price than in prior acquisitions for the supply or service (although price is an important factor)

**Rather, your performance at every step of the way in the acquisition process should be judged by its *contribution to accomplishing the overall goals of the acquisition process*.**

For example, you may perform every step of the procurement process in apparent compliance with the letter of the applicable laws and regulations. You may have succeeded in obtaining independently prepared offers from three competitors. Yet the prices might be unacceptably high because you:

- Entered the market at the wrong time (e.g., buying produce out of season)
- Used a specification that unnecessarily and unwittingly limited competition to a market segment characterized by premium prices
- Ordered an uneconomic quantity
- Imposed an unnecessarily tight delivery schedule relative to delivery terms and conditions that are prevalent in that market.
- Used the wrong type of contract (e.g., a firm fixed price contract for a market that is expecting a high rate of inflation during the period of contract performance)
- Imposed warranty requirements that are far in excess of what is customary for that market

**The bottom line: No function of the acquisition process or any related duty should be viewed as an end in itself. Rather, as you read about each function and duty of source selection in the following chapters, *always be mindful of the overall goals of the Federal Acquisition Process*.**

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### I.3 The Source Selection Process in the Federal Acquisition Process

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#### Correlation of Phases in Both Processes

The Source Selection Process is a portion of the Federal Acquisition Process. Therefore, it is not surprising that both processes use similar names for their phases. Unfortunately, the phases with similar names are NOT identical. This can be very confusing. Therefore, the following chart is provided to show the correlation of the phases in each process. Chapter 1 provides an overview of the Source Selection Process.

Phases of Federal Acquisition Process	Phases of Source Selection Process
1 Presolicitation	1 Presolicitation
2 Solicitation-Award	2 Solicitation
	3 Evaluation
	4 Selection and Award
3 Post-Award	(Contract Start-up Support Activities)

---

# CHAPTER 1

## OVERVIEW OF SOURCE SELECTION

---

### Chapter Vignette

*John was trying to remember all that he had ever read in the Federal Acquisition Regulation and Comptroller General decisions about source selection. He recalled that many other factors besides the offeror's price could be considered by the Government, but that it was crucial to select these factors carefully and apply them in a valid and consistent manner. He remembered now that even the technical experts did not always agree the first time on what technical factors should be considered. He decided that it was time to crack the books and review the overall process of source selection. After all, he thought, it is better to understand the "big picture" first, before getting into the details.*

## Course Learning Objectives

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In this Chapter

At the end of this chapter, you will be able to:

1. Define “source selection.” Distinguish “formal” from “informal” source selection procedures.
  2. State the basic purpose and goals of source selection and identify related functions.
  3. Recognize and briefly describe the process and functions that occur during presolicitation and solicitation-award phases of the acquisition process, as it relates to source selection.
-

## Chapter Overview

### Introduction

In this course, you the Contract Specialist will become familiar with all the actions that YOU must perform as either the Source Selection Authority (SSA) or a member of a Source Selection Evaluation Board (SSEB). You will become familiar with both formal and informal source selections.

Some of these actions are really individual tasks, such as personally evaluating the offerors' proposals. You may be required to perform them individually without much help. Other tasks discussed in this text may be performed as a member of a team, the Source Selection Advisory Council (SSAC) or Source Selection Evaluation Board.

### Topics in This Chapter

This chapter includes the following topics:

SECT.	TITLE	PAGE
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1.12	Phase 4—Selection and Award	1-28

## 1.1 Terminology for Source Selection

Acquisition  FAR 2.101	The acquiring by contract with appropriated funds of supplies or services by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when the agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and <b>selection of sources</b> , award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract.
Acquisition Planning  FAR 7.101	The process by which the efforts of the personnel responsible for an acquisition are coordinated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost.
Acquisition Plan  FAR 7.105	All the technical, business, management, and other significant considerations that control the acquisition. The specific content of a plan will vary, depending on the nature, circumstances, and stage of the acquisition. The plan also contains the acquisition milestones.
Contracting Activity  FAR 2.101	An element of an agency designated by the agency head and delegated broad authorization regarding acquisition functions.
Contracting Officer (CO)  FAR 2.101	A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. Only the Contracting Officer has the authority to sign a contract or modification.
Head of the Contracting Activity (HCA)  FAR 2.101	The official who has overall responsibility for managing the contracting activity.
Source Selection	The process of soliciting and evaluating offers for award in a competitive negotiated environment.
Source Selection Authority (SSA)  FAR 15.601	The Government official in charge of selecting the source.
Source Selection Advisors	Personnel responsible for providing source selection advice to the SSA and SSEB.



## 1.1 Terminology for Source Selection (continued)

Source Selection Evaluation Board (SSEB)	Specialists who are responsible for assisting the Contracting Officer in developing the source selection plan and for evaluating proposals in accordance with the source selection plan and the RFP.
Source Selection Advisory Council (SSAC)	High level agency personnel that oversee the functioning of the SSEB and that may make recommendations to the SSA.
Source Selection Plan (SSP)  FAR 15.6	<p>A plan containing at a minimum the following:</p> <ul style="list-style-type: none"> <li>• description of the organization structure</li> <li>• identity of members of the boards or advisors</li> <li>• proposed presolicitation activities</li> <li>• summary of the acquisition strategy</li> <li>• statement of proposed evaluation factors and any significant subfactors, &amp; their relative importance</li> <li>• description of the evaluation process, methodology, and techniques to be used</li> <li>• schedule of significant milestones.</li> </ul>

## 1.2 Basics of Source Selection

---

### Introduction

FAR 15.6

**Source selection** is the process of soliciting and evaluating offers for award in a competitive negotiated environment.

FAR  
15.612(a)

**Formal source selection** occurs “when a specific evaluation group is established to evaluate proposals and select the source for contract award.” It is generally used in high-dollar acquisitions, but may be used in other acquisitions as prescribed in agency regulations. Normally an official above the contracting officer (CO) selects the source.

**Informal source selection** is when the CO makes the selection with the assistance of a technical evaluation panel, when necessary.

---

### Applicability

FAR 15.602

The source selection process applies to negotiated contracting when source selection is based on:

1. Cost or price competition between proposals that meet the Governments’ minimum requirements stated in the solicitation
  - OR
  2. Competition involving an evaluation and comparison of cost and/or price and other factors.
- 

### Objectives of Source Selection

The objectives of source selection procedures support the goals of the federal acquisition process. These objectives are:

- evaluation of the **ability to produce** the supplies or services and the **quality relative to price**
- determination of the technical and management capability of the offeror
- determination of the offeror’s past performance in providing supplies or services.
- determination of which offer will be **most advantageous** to the Government

These objectives are the results of an evaluation scheme that allows the Government to assess the offeror’s ability to meet the Government’s needs and assess the relative merits of competing proposals.

---

## 1.2 Basics of Source Selection (continued)

### Purposes of Source Selection

FAR 15.603
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The purposes of source selection procedures are to:

- maximize competition,
- minimize the complexity of the solicitation, evaluation and selection decision,
- ensure impartial and comprehensive evaluation of all proposals,
- ensure selection of the source whose proposal has the highest degree of realism and whose performance is expected to best meet stated Government requirements.

### Basic Approaches to Source Selection

Detailed procedures covering source selection are NOT provided in either statutory or regulatory form. Each agency, therefore, has policies for implementing source selection procedures which reflect the individual agency's mission. Much of the individual agency's policies are contained in handbooks on Source Selection. (See Chart on Page 3-7).

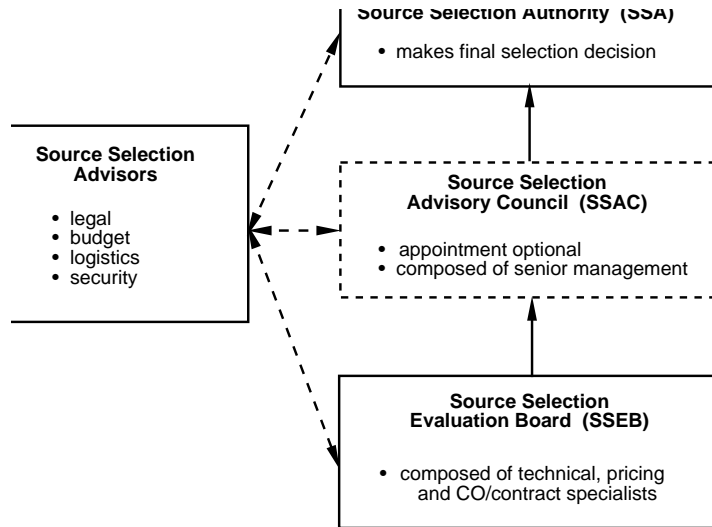
There are two basic approaches to source selection:

1. **Lowest-Price Technically Acceptable Proposal**—under this approach, all of the evaluation factors, except price, are, in effect, evaluated on a “Go, No-Go” basis. It is appropriate when price is properly the deciding factor once the technical acceptability of offers has been determined. “Go, No-Go” factors define a standard of comparison for contract requirements which proposals either satisfy completely or fail to meet.
2. **“Best Value” Concept**—is an approach that considers the appropriate balance of technical merit, management capability and cost factors for a specific requirement that will provide the “best value” to the Government. There may be a tradeoff of higher price for a better supply or service.

## 1.3 Source Selection Organization

Source  
Selection  
Organization

The source selection organization typically consists of:



## 1.4 Key Events in the Source Selection Process

Phases of the  
FAP

The following table outlines the Source Selection process.

ACQUISITION PHASE	SOURCE SELECTION PROCESS	SOURCE SELECTION ACTIVITIES
Pre-Solicitation	Develop Acquisition Plan	Develop Acquisition Plan
	Develop Source Selection Plan	Develop the Source Selection Plan and appoint the SSEB
	Obtain Reviews, Approvals, and Authorization	Request/Receive Agency-level Reviews/Approval
Solicitation	Prepare and Issue Solicitation	Write the Solicitation
		Develop an Independent Government Cost Estimate
		Obtain Industry Comments on the Draft Solicitation (optional)
		Develop detailed Source Selection Materials
		Publicize the Solicitation in the <i>Commerce Business Daily</i>
		Issue the Solicitation
		Hold Preproposal Conference (optional)
		Answer Questions and Amend the Solicitation
Evaluation	Evaluate Proposals	Train Source Selection Team
		Receive Proposals
		Determine Whether Proposals Comply with Solicitation Instructions
		Evaluate Proposals Against Minimum Mandatory Requirements
		Request Clarification or Correction
		Rate Technical Proposals
		Conduct Initial Cost Evaluation
		Establish Competitive Range
Award	Select Contractor	Conduct Discussions and Negotiations
		Request Best and Final Offers (BAFOs)
		Rerate Proposals Based on BAFOs
		Select the Apparent Winner
		Conduct Responsibility Reviews
		Approve the Selection
		Award the Contract
		Notify Unsuccessful Offerors
		Debrief Offerors
Post Award	Contract Administration	Publicize the Contract

## 1.5 Principal Source Selection Documentation

Document Requirement	UCF Section	Description
Acquisition Plan—a common framework	N/A	Successful source selection requires planning and teamwork. With so many personnel involved in the procurement process, the “players” <b>MUST</b> have a common framework—the <b>Acquisition Plan</b> —to coordinate their activities. The acquisition plan includes the necessary information for the key players to make <i>informed</i> decisions. The plan also establishes the milestones for the acquisition.
Performance Requirements	C	The plan is based on the performance requirements. These requirements are defined in the: <b>Statement of Work</b> and/or <b>Specifications</b>
Evaluation Factors and Significant Subfactors	M	The factors and significant subfactors are derived from the SOW and/or specifications. They define the: <ul style="list-style-type: none"> <li>• extent of subcontracting, in some instances</li> <li>• performance requirements</li> <li>• business qualifications.</li> </ul>
Evaluation Criteria	N/A	Once the factors and significant subfactors are defined, the <b>Source Selection Plan</b> states the <b>evaluation criteria</b> and establishes guidelines for a consistent approach to source selection. The terminology “selection criteria” is also used for “evaluation criteria.” <p>The SSEB uses these criteria/factors to evaluate:</p> <ul style="list-style-type: none"> <li>• the offerors’ proposed supplies and services</li> <li>• the offeror’s qualifications, risk assessments, and management plans, and how they propose to budget their resources (cost).</li> </ul>
Proposal Preparation Instructions	L	In order for the SSEB to be able to evaluate all of the proposals against these selection criteria, the proposals <b>MUST</b> be in a consistent format. <p>The <b>proposal preparation instructions</b> provide offerors with directions for preparing responses to the requirements in this <b>consistent format</b>. Section L must agree with Section M and should agree with the Source Selection Plan.</p>

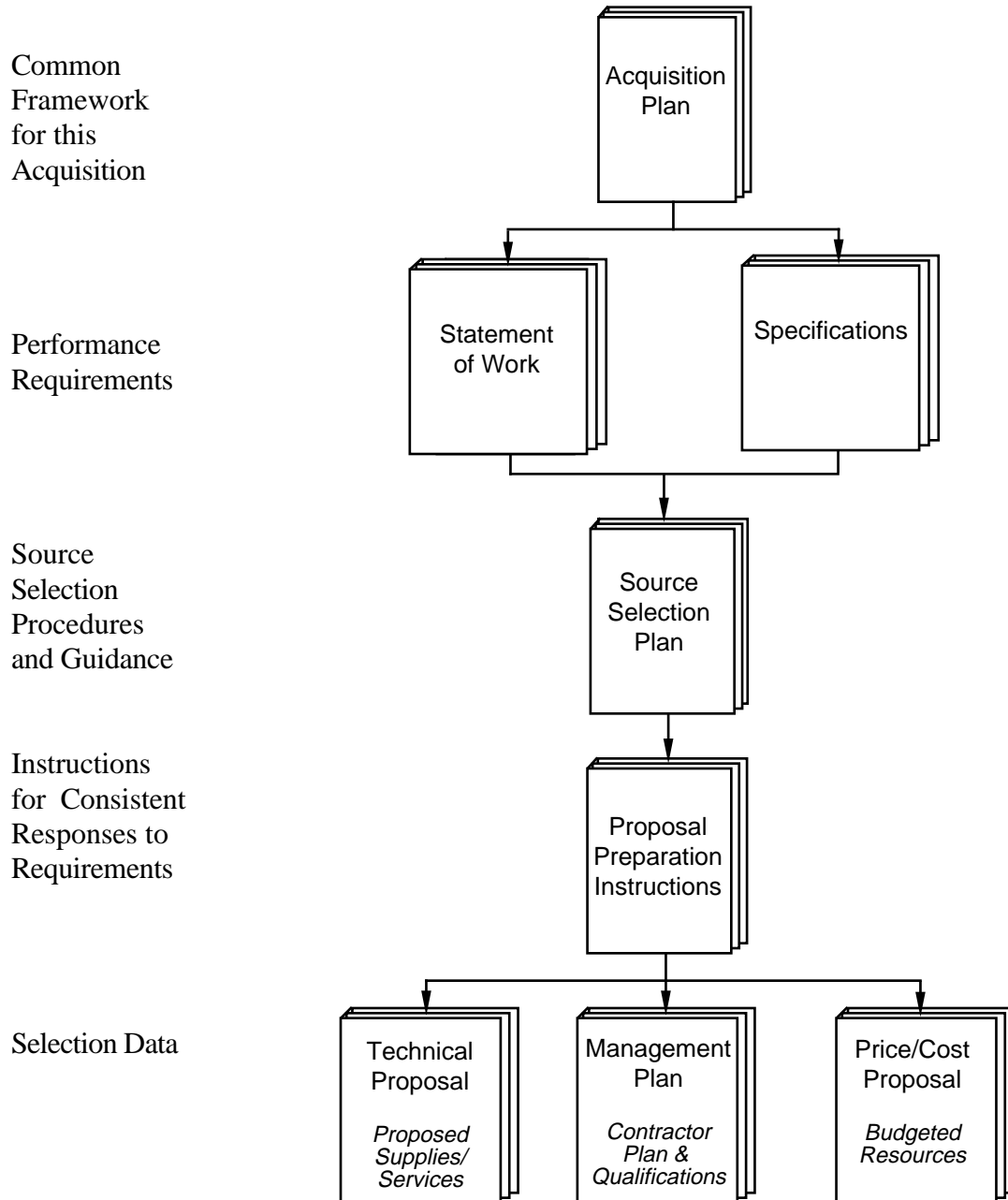
Relationship of  
Documentation

The graphics on the next page shows the relationship of the documentation produced in the source selection process.

(continued on next page)

## 1.5 Principal Source Selection Documentation (continued)

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# 1.6 Key Events in the Selection Process

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General                      The Federal Government acquires supplies and services to support mission requirements. Therefore, the proper selection of a source to provide those supplies and services to the government is an important event in the acquisition process. Reports and data collected on federal acquisitions (e.g., Packard Commission Report, Commission on Government Procurement and Federal Procurement Data Center information, and many others) clearly indicate that proper selection most often leads to superior performance—poor selection leads to poor performance.

---

Phases of the  
Source  
Selection  
Process                      The acquisition process for negotiated competitive procurements or, as it is most often called, source selection, is divided into four phases:

1. Presolicitation
2. Solicitation
3. Evaluation
4. Selection and Award

Within each phase, there are a number of discrete and important events that occur—each dependent upon the other. Source selection requires a team effort and adherence to a well conceived plan to ensure proper selection and the avoidance of protests and delays.

As a Contract Specialist you should already be familiar with these phases. The principal events are shown in the flowchart on the following pages.

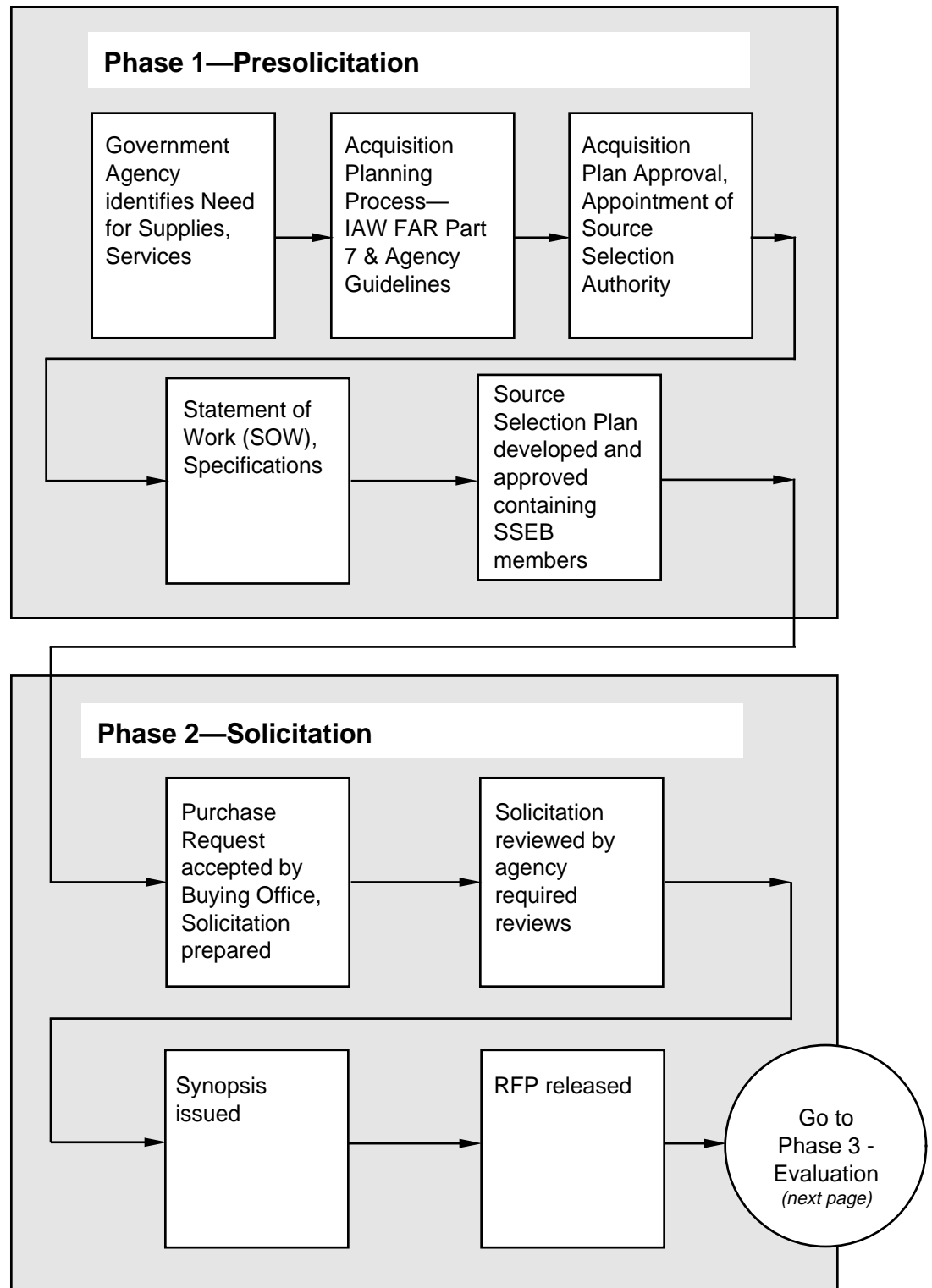
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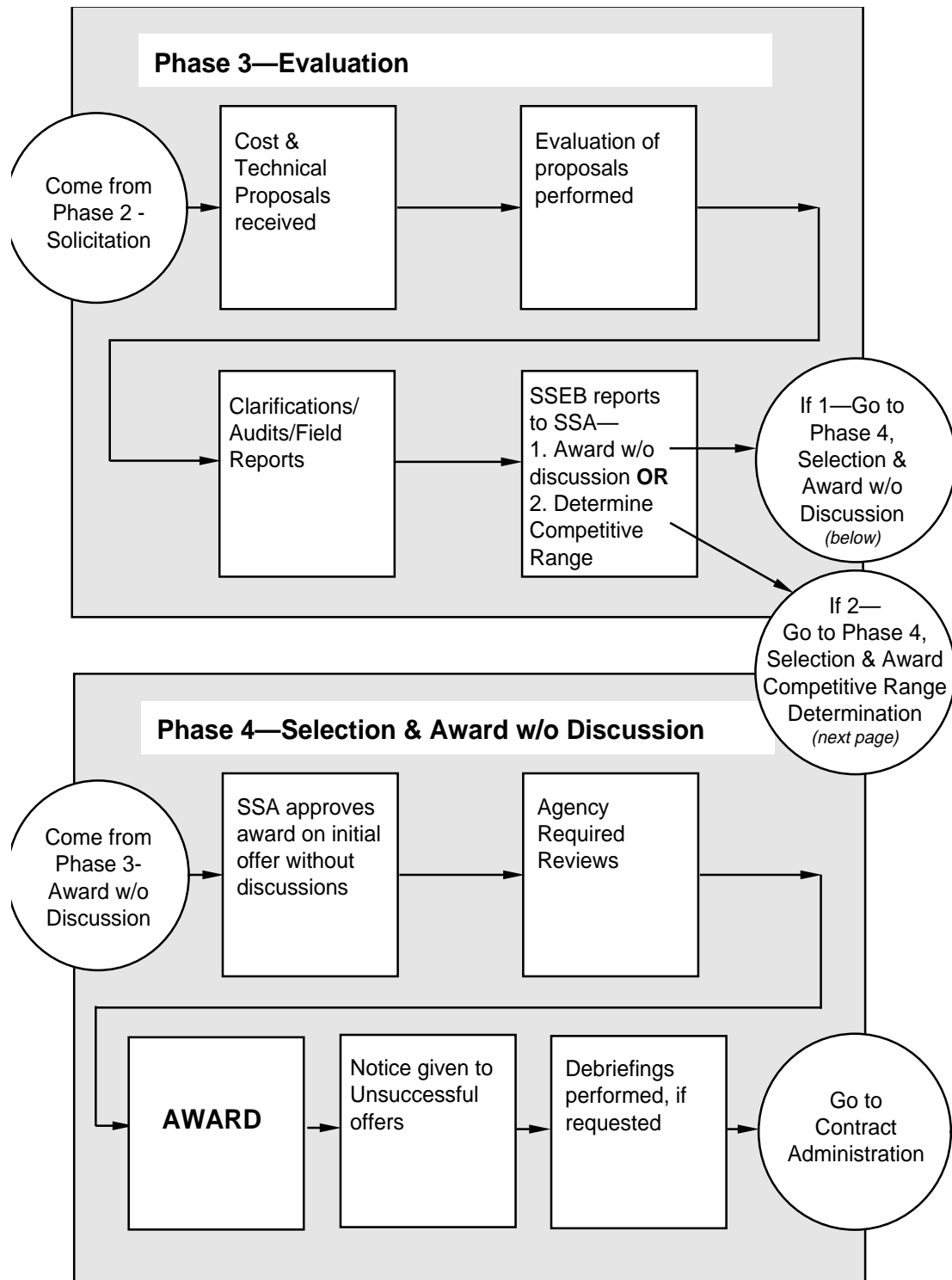
## 1.6 Key Events in the Selection Process (continued)

Source  
Selection  
Flowchart



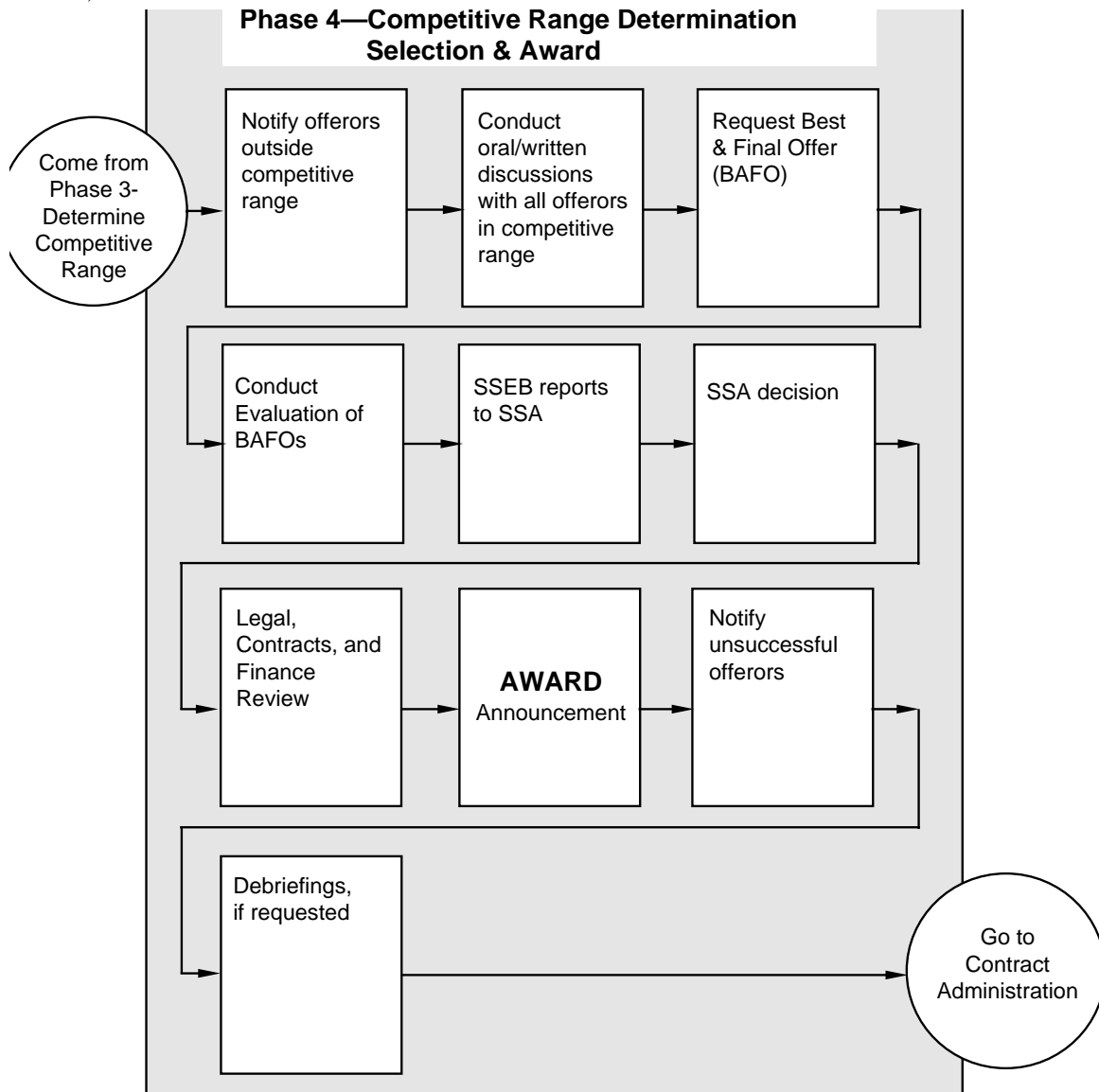
## 1.6 Key Events in the Selection Process (continued)

Source  
Selection  
Flowchart  
(continued)



## 1.6 Key Events in the Selection Process (continued)

Source  
Selection  
Flowchart  
(continued)



## 1.7 Phase 1—Presolicitation

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### Introduction

The remainder of this chapter contains a synopsis of the steps necessary for each phase of the source selection process.

Presolicitation is the most important phase of the process. Proper attention to planning and coordination with all the participants is necessary for successful source selection.

---

### Developing the Acquisition Plan

FAR Part 7
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During this phase, the requiring activity (user organization, buyer) develops a comprehensive **Acquisition Plan**, which:

- identifies the needs
- defines the specific requirements
- identifies budget
- determines the acquisition strategy

The requiring activity obtains assistance to develop the Acquisition Plan from other disciplines such as contracting, logistics, quality assurance and other subject-matter-experts (SME).

---

### Organizing for Source Selection

During this phase, the **Contracting Officer (CO)** is assigned and the **Source Selection Authority (SSA)** is appointed.

Included in the Source Selection Plan are the SSEB procedure guidelines, and the criteria, standards and organizational structure by which the SSEB will objectively evaluate the offerors' proposals.

---

### Supporting Activities by the Requiring Agency

Often, during this phase, the requiring activity will:

- conduct a market survey to determine the availability or viable production of the requirement, and to assist in the development of the Independent Government Estimate or Independent Cost Estimate.
  - distribute a draft SOW or draft RFP to get feed-back on the description of the requirement in an attempt to avoid ambiguity and to take advantage of the vast information available in the marketplace.
- 

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## 1.7 Phase 1—Presolicitation (continued)

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### Other Presolicitation Activities

Critical to the success of this phase and the entire acquisition process is the development of a clear, concise, and unambiguous description of the requirement. The CO may elect to issue a draft RFP to potential sources for comment and/or hold a presolicitation conference to clarify questions about the requirement.

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### Procurement Integrity

There are stringent requirements for maintaining the integrity of the procurement process that **MUST** be adhered to during this phase by all participants. This includes both technical and contracting personnel. Both written and oral communications should be guarded. *Procurement Integrity Rules provide for both civil and criminal penalties for violations.* The principal guiding this phase is that all offerors are treated equally and no one obtains an unfair advantage.

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## 1.8 Acquisition Planning—a Common Framework for Successful Acquisition

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### Introduction

One of the most important functions performed during the Presolicitation phase is Acquisition Planning. Understanding the requirement is fundamental to successful Source Selection. It is therefore necessary for the Contract Specialist to participate in the Acquisition Planning Process and become thoroughly familiar with the Acquisition Plan.

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### Purposes of the Acquisition Plan

**Establishes Baseline.** The Acquisition Plan serves as the baseline document upon which all of the participating personnel base their decisions. *The Source Selection Plan evolves from the information provided in the Acquisition Plan.*

#### FAR 7.101

**Coordinates Effort.** “The efforts of all personnel responsible for an acquisition are coordinated through the acquisition plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.”

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### Requirement and Responsibility for Acquisition Plan

Agencies are required to prescribe their own criteria and thresholds for requiring written plans and are encouraged to develop standard acquisition plan formats. The Contracting Officer is ultimately responsible for the plan, however, agencies designate a “planner” which is a person or office responsible for developing and maintaining a written plan.

---

### Scheduling Acquisition Planning

#### FAR 7.104

“Acquisition planning should begin as soon as the agency need is identified, preferably well in advance of the fiscal year in which the contract award is necessary. In developing the acquisition plan, the planner should form a team consisting of all those who will be responsible for significant aspects of the acquisition, such as *contracting, budget, legal and technical personnel.*”

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## 1.9 Creating the Acquisition Plan—FAR 7.105

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### Content

FAR 7.105
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The Acquisition Plan addresses all the technical, business, management, and other significant considerations that control the acquisition and identifies the milestones at which decisions are made. The specific content of a plan will vary, depending on the nature, circumstances, and stage of the acquisition.

---

### Procedure for Creating an Acquisition Plan

#### **A. Establishing Acquisition Background and Objectives**

##### STEP:

##### **1. Introduce the plan by a brief statement of need.**

Summarize the technical and contractual history of the acquisition. Discuss feasible acquisition alternatives and any related inhouse effort.

##### **2. State all significant conditions affecting the acquisition. Such as:**

- requirements for compatibility with existing or future systems or programs
- any known cost, schedule, and capability or performance constraint

##### **3. Set forth the established cost goals for the acquisition and the rationale supporting them, and discuss related cost concepts to be employed, including, as appropriate, the following items:**

*Life-cycle cost.* Discuss how life-cycle cost will be considered. If it is NOT used, explain why. If appropriate, discuss the cost model used to develop life-cycle-cost estimates.

*Design-to-cost.* Describe the design-to-cost objective(s) and underlying assumptions, including the rationale for quantity, learning curve, and economic adjustment factors. Describe how objectives are to be applied, tracked, and enforced. Indicate specific related solicitation and contractual requirements to be imposed.

*Application of should-cost.* Describe the application of should-cost analysis to the acquisition (see FAR 15.810).

FAR 15.810
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## 1.9 Creating the Acquisition Plan—FAR 7.105 (continued)

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Creating an  
Acquisition  
Plan  
(continued)

STEP:

4. **Specify the required capabilities or performance characteristics of the supplies or services being acquired and state how they are related to the need.**
5. **Describe the basis for establishing delivery or performance-period requirements** (see FAR Subpart 12.1).  
Explain and provide reasons for any urgency if it results in concurrency of development and production or constitutes justification for not providing for full and open competition.
6. **Discuss the expected consequences of trade-offs among the various cost, capability or performance, and schedule goals.**
7. **Specify the method for obtaining and using priorities, allocations, and allotments, and the reasons for them** (see FAR Subpart 12.3).
8. If specifically designated by the requiring agency as a program subject to acquisition streamlining, **discuss plans and procedures to:**
  - **encourage industry participation by using draft solicitations, presolicitation conferences, etc.**
  - **select and tailor only the necessary and cost-effective requirements**
  - **state the time frame for identifying which of those specifications and standards shall become mandatory** (see FAR 10.002(c))

FAR  
Subpart 12.1

FAR  
Subpart 12.3

FAR  
Subpart 15.7  
FAR  
10.002(c)

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## 1.9 Creating the Acquisition Plan—FAR 7.105 (continued)

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Creating an  
Acquisition  
Plan  
(continued)

FAR Part 8 FAR Part 19 & 20
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FAR Part 11
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FAR Part 6.302
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### **B. Plan of Action**

STEP:

#### **1. Indicate the prospective sources of supplies and/or services that can meet the need:**

- Consider required sources of supplies and services (see FAR Part 8)
- Include consideration of small business, small disadvantaged business, and labor surplus area concerns (see FAR Part 19 & 20)
- Address the results of market research and analysis and indicate their impact on the various elements of the plan, if the acquisition or a part of it is for commercial or commercial-type products (see FAR Part 11)
- Address the extent and results of the market survey conducted or the reasons one was NOT or will NOT be conducted, if the acquisition or a part of it is for commercial or commercial-type products

#### **2. Address competition:**

- Describe how competition will be sought, promoted, and sustained throughout the course of the acquisition.
  - If full and open competition is NOT contemplated, cite the authority in 6.302
  - Discuss the basis for the application of that authority
  - Identify the source(s)
  - Discuss why full and open competition CANNOT be obtained.
- Identify the major components or subsystems.
  - Discuss component breakout plans relative to these major components or subsystems.
  - Describe how competition will be sought, promoted, and sustained for these components or subsystems.
- Describe how competition will be sought, promoted, and sustained for spares and repair parts.
  - Identify the key logistic milestones, such as technical data and delivery schedules that affect competition.

(2. Address competition continued on next page)

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## 1.9 Creating the Acquisition Plan—FAR 7.105 (continued)

Creating an  
Acquisition  
Plan  
(continued)

STEP:

### 2. Address competition (continued):

- Describe how such subcontract competition will be sought, promoted, and sustained throughout the course of the acquisition when effective subcontract competition is both feasible and desirable.
- Identify any known barriers to increasing subcontract competition and address how to overcome them.

FAR  
Subpart 15.6

### 3. *Discuss the source selection procedures for the acquisition, including the timing for submission and evaluation of proposals, and the relationship of evaluation factors to the attainment of the acquisition objectives. (see FAR Subpart 15.6)*

FAR  
Subpart 15.6  
FAR Part 17  
FAR  
Subpart 1.4  
FAR  
Subpart 7.4  
FAR Part 16

### 4. Discuss contract type selection for each contract contemplated. (see FAR Subpart 15.6)

- Use of multiyear contracting, options, or other special clauses, special contracting methods (see FAR Part 17)
- Any special clauses, special solicitation provisions, or FAR deviations required (see FAR Subpart 1.4)
- Whether negotiation will be used and why
- Whether equipment will be acquired by lease or purchase and why (see FAR Subpart 7.4)
- Any other contracting considerations

FAR  
Subpart 32.7

### 5. Describe how budget estimates were derived and discuss the schedule for obtaining adequate funds at the time when they are required (see FAR Subpart 32.7)

FAR Part 10

### 6. Explain the choice of product description types to be used in the acquisition, in accordance with FAR Part 10.

FAR  
Subpart 12.3

### 7. Specify the method for obtaining and using priorities, allocations, and allotments, and the reasons for them when they apply. (see FAR Subpart 12.3)

(topic continued on next page)

## 1.9 Creating the Acquisition Plan—FAR 7.105 (continued)

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STEP:

FAR  
Subpart 7.3

**8. Address the consideration given to OMB Circular No. A-76** (see FAR Subpart 7.3).

**9. Discuss, as appropriate, what management system will be used by the Government to monitor the contractor's effort.**

FAR  
Subpart 15.7

**10. Discuss any consideration given to make-or-buy programs** (see FAR Subpart 15.7).

**11. To the extent applicable, describe the test program of the contractor and the Government.** Describe the test program for each major phase of a major system acquisition. If concurrency is planned, discuss the extent of testing to be accomplished before production release.

FAR  
Subpart 7.3  
FAR Part 11  
FAR Part 46  
FAR Part 27

**12. Describe—**

- The assumptions determining contractor or agency support, both initially and over the life of the acquisition, including consideration of contractor or agency maintenance and servicing (see FAR Subpart 7.3) and distribution of commercial products (see FAR Part 11);
- The reliability, maintainability, and quality assurance requirements, including any planned use of warranties (see FAR Part 46); and
- The requirements for contractor data (including repurchase data) and data rights, their estimated cost, and the use to be made of the data (see FAR Part 27).
- Standardization, including the necessity to designate, in accordance with agency procedures, technical equipment as “standard” so that future purchases of the equipment can be made from the same manufacturing source.

FAR Part 45

**13. Indicate any property to be furnished to contractors, including material and facilities.** Discuss any associated considerations, such as its availability or the schedule for its acquisition (see FAR Part 45).

(topic continued on next page)

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## 1.9 the Acquisition Plan—FAR 7.105 (continued)

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Creating an  
Acquisition  
Plan  
(continued)

STEP:

- 14. Discuss any Government information such as manuals, drawings, and test data, to be provided to prospective offerors and contractors.**
- 15. Discuss environmental issues associated with the acquisition, the applicability of an environmental assessment or environmental impact statement (see 40 CFR 1502), the proposed resolution of environmental issues, and any environment-related requirements to be included in solicitations and contracts.**
- 16. Discuss how adequate security will be established, maintained, and monitored for acquisitions dealing with classified matters. (see FAR Subpart 4.4).**
- 17. Discuss, as applicable, energy conservation measures, standardization concepts, the industrial readiness program, the Defense Production Act, the Occupational Safety and Health Act, foreign sales implications, and any other matters germane to the plan not covered elsewhere.**
- 18. Address the following milestones and any others appropriate:**
  - Acquisition plan approval.
  - Statement of work.
  - Specifications.
  - Data requirements.
  - Completion of acquisition-package preparation.
  - Purchase request.
  - Justification and approval for other than full and open competition where applicable and/or any required D&F approval.
  - Source Selection Plan
  - Issuance of synopsis
  - Issuance of solicitation
  - Evaluation of proposals, audits, and field reports.
  - Beginning and completion of negotiations.
  - Contract preparation, review, and clearance.
  - Contract award.

(topic continued on next page)

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FAR Subpart 4.4
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## 1.9 Creating the Acquisition Plan—FAR 7.105 (continued)

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Creating an  
Acquisition  
Plan  
(continued)

STEP:

**19. List the individuals who participated in preparing the acquisition plan.**

Example, a list of individuals is important for purposes of procurement integrity maintenance.

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# 1.10 Phase 2—Solicitation

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Introduction	Once the requirement is clearly defined, the source selection plan has been approved and funding is verified, then the contracting activity accepts the requiring activity’s <b>purchase request (PR)</b> and moves on to the second phase of the selection process—solicitation.
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Request for Proposal (RFP)	<p>After the purchase request has been accepted, the contracting activity prepares the solicitation document—the <b>Request for Proposal (RFP)</b>.</p> <p>Because of the many <i>requirements</i> set forth in the statutes and regulations, the RFP is reviewed, in accordance with the agency procedures.</p>
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Competition in Contracting Act—Mandated Requirement Before Release of RFP	The <b>Competition in Contracting Act (CICA)</b> requires competition “to the maximum extent practicable” and mandates that a synopsis of the requirement appear in the Commerce Business Daily (CBD) at least 15 days prior to issuance of the solicitation.
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## 1.11 Phase 3—Evaluation

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Initial Screening	After receipt of offers, the CO validates that each proposal meets the solicitation’s format and content requirements. Some proposals may be eliminated—these are proposals that require revisions so extensive that they would result in a new proposal.
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Evaluation of Proposals	After initial screening of the proposals by the CO, the proposals are assigned for evaluation and the TET evaluates in accordance with the criteria and standards set forth in the Source Selection Plan. The TET does NOT evaluate one proposal against another. The SSEB, if used in the acquisition, reviews the findings of the TET and ranks or rates the proposals. The SSEB may evaluate one proposal against another. The evaluation is based solely on the criteria and standards of the source selection plan and the solicitation.
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Audits and field reports may be used by the SSEB to determine the strengths and weaknesses of the offerors’ proposals.

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Seeking Clarification	The SSEB may seek clarification during this phase through the CO.
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Procurement Integrity	Critical to this phase also are the Procurement Integrity Rules regarding the offeror’s “proprietary information” and the Government’s “source selection information.” Security of the proposals and any other source selection documentation is very important.
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## 1.12 Phase 4—Selection and Award

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### Two Options for Selection and Award

The SSA has two options in this phase:

1. to award on the basis of the initial proposal, WITHOUT discussion.
  2. to establish a competitive range after discussions whereby all those who have a reasonable chance for award are given an opportunity to revise their proposals in a Best and Final Offer (BAFO)
- 

### Option 1—Award on Initial Proposal

After evaluation of proposals, if the SSA chooses to award on the basis of the initial proposal, the selection is made and submitted for the appropriate agency review. The unsuccessful offerors are notified and provided debriefings if requested in writing.

---

### Option 2—Establish a Competitive Range

If a competitive range is determined, then oral and/or written discussions are held with all those in the competitive range.

During discussions, the Government SHALL NOT:

- conduct technical leveling
- conduct technical transfusion
- use auctioning techniques

The contracting officer determines offerors outside the competitive range and debriefings are provided after award if requested in writing.

The SSEB evaluates the BAFO and the results are presented to the SSA in a decision briefing.

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### Awarding the Requirement

Once the SSA makes the selection, the appropriate agency officials review the decision and approve the award.

Unsuccessful offerors are notified and provided a debriefing if they request it in writing

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## **SUMMARY**

This chapter summarizes the federal acquisition process and the important part that source selection plays. It further defines the roles of the participants and lays out the procedures for a successful source selection.

The next chapter discusses the Source Selection Plan in detail.

# CHAPTER 2

## SOURCE SELECTION PLAN

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### Chapter Vignette

*As he reviewed the references on source selection, John was impressed at how often different authors stressed the importance of thorough acquisition planning and a detailed source selection plan. It was becoming clear that the source selection plan would be the “blueprint” for a successful acquisition. He went through the files, looking for recent examples of source selection plans. He was rather surprised to find a great variance in the size, scope and detail of the plans he examined. Clearly, there was a problem of consistency in the agency about how a source selection plan should look. He asked his supervisor Marcia, for some help. She selected one plan from the stack on his desk. “Here,” she said. “Review this plan. It was done last year and it is the best I have ever seen. You will see that it is very clear and explains the reasoning behind every recommendation and decision. Unfortunately, the persons who worked on this procurement are no longer in this office, but after you review the plan, you can call them. I’ll also be glad to help.”*

## Course Learning Objectives

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In this Chapter

At the end of this chapter, you will be able to:

1. Recommend to the source selection authority (SSA) an organizational structure for the formal source selection, including the Source Selection Evaluation Board, technical evaluation panel, cost evaluation panel, and, if required, advisory council. Define the roles and responsibilities of each organizational unit.
  2. Determine whether to release the proposals outside the Government for evaluation and, if the proposals are to be released outside the Government for evaluation, the procedures to be followed.
  3. Draft a formal source selection plan.
  4. Incorporate evaluation factors and proposal preparation instructions into sections L and M of the RFP.
-

## Chapter Overview

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**Introduction**      The Source Selection Plan (SSP) is crucial to the RFP and the entire source selection process. Therefore, a well-written SSP takes time and is essential.

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**Topics in This Chapter**      This chapter includes the following topics:

SECT.	TITLE	PAGE
2.1	Beginning the Source Selection Plan	2-4
2.2	Organizing and Staffing for the Source Selection Evaluation Board	2-6
2.3	Releasing Proposals for Evaluation	2-9
2.4	Drafting the Source Selection Plan	2-10
2.5	Incorporating the Source Selection Plan in the RFP	2-14

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## 2.1 Beginning the Source Selection Plan

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Purposes of a  
Source  
Selection Plan

The SSP has the following purposes:

- It specifies the Government’s approach for soliciting and evaluating proposals.
  - It provides the recommended source selection organizational structure to the Source Selection Authority (SSA)
  - It designates the persons who will perform the evaluation.
  - After approval by the SSA, it is the “charter” which the SSEB and contracting officer will follow.
- 

References

Assemble and check the following key references before you begin to develop the SSP:

- FAR 3, 15.612, and 19.705-2
  - Agency, Department, or local source selection guidance
  - The Specifications or Statement of Work (SOW) explaining the characteristics of supplies or services to be procured
  - Acquisition histories or files on these supplies or services
  - Findings of any previous market research (if applicable)
  - The Independent Government Estimate (IGE)
  - Any special guidance received from the SSA
  - Acquisition plan (if one exists)
-

## 2.1 Beginning the Source Selection Plan (continued)

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### Required Actions

Before starting, there are several things you **MUST** remember about the development of the SSP:

- ALLOW SUFFICIENT TIME for development of the SSP and solicitation.
  - Do NOT issue the solicitation until the SSP has been prepared and approved. Use the SSP to develop the solicitation.
  - Have the evaluators help develop the SSP and review the solicitation.
  - If you are the chairperson of the SSEB, you may also have to train members who have never before served on a SSEB.
  - Determine as early as possible whether you will require special expertise outside the Government to help evaluate the proposals.
  - Obtain Procurement Integrity Certifications from participants in the acquisition.
-

## 2.2 Organizing and Staffing for the Source Selection Evaluation Board

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### Organizing and Staffing

Normally the Contracting Officer is the Source Selection Authority (SSA) except in more complex acquisitions in which a higher official is designated. In that case evaluators, boards, or advisory committees may be used.

Recall that the organizing and staffing of the Source Selection Evaluation Board (SSEB) begins with the Source Selection Authority (SSA). The SSA appoints the SSEB. However, as a contracting officer, you may be required to recommend the organizational structure to the Source Selection Authority. This may include the following:

- the individual members of the SSEB
- members of special technical evaluation panels (if applicable) or teams
- members of the price/cost evaluation panel
- members of the Source Selection Advisory Council, if employed
- any additional advisors

FAR Part 3
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The SSEB will assist in developing the SSP. The SSEB should include:

- As many members as necessary, however, caution should be used in having too many.
- Contractor personnel may be used as advisors and evaluators. However some agencies prohibit this practice.
- If you require contractors as advisors, make sure there is NO conflict of interest. These advisors may NOT be involved in the decision-making process.
- Preferably, persons with prior SSEB experience and the skills consistent with the complexity of the acquisition. If such persons are not available, the SSEB chairperson must train the members.

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(continued on next page)

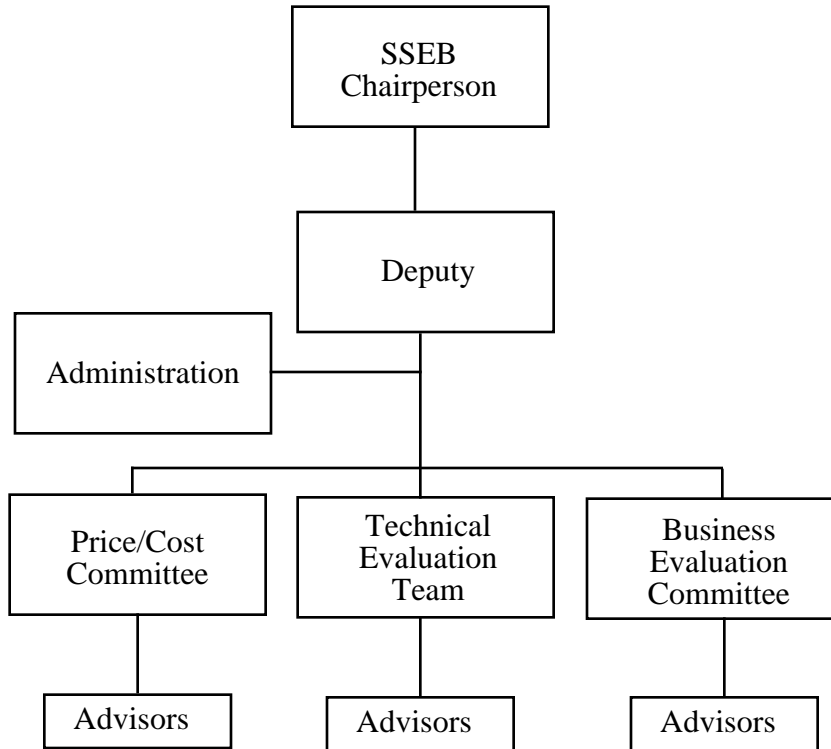
## 2.2 Organizing and Staffing for the Source Selection Evaluation Board (contin

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### Organizing and Staffing

The following graphic shows one organizational structure for a “typical” source selection evaluation board.

TYPICAL ORGANIZATIONAL STRUCTURE FOR A SSEB





## 2.2 Organizing and Staffing for the Source Selection Evaluation Board (contin

### Organizing and Staffing

#### Checklist for Organizing and Staffing

The following checklist specifies the actions you should follow in organizing and staffing the SSEB.

- \_\_\_ 1. Make sure that each SSEB member understands that SSEB duties take precedence over any other duties.
- \_\_\_ 2. Determine if any member CANNOT be part of the SSEB due to an actual or potential conflict of interest. If so, notify the SSA and obtain a replacement.
- \_\_\_ 3. Determine if the SSEB members have the adequate expertise consistent with the complexity of the acquisition.
- \_\_\_ 4. If there are any outside advisors, explain their roles. Clarify any committee reporting requirements.
- \_\_\_ 5. Brief the members to ensure that they understand the requirements for nondisclosure and confidentiality. Inform all members of the arrangements for retrieving, marking, holding, storing, and returning documents connected with the source selection and execute the appropriate procurement integrity certifications.
- \_\_\_ 6. Inform all members that all communications connected with the source selection and intended for anyone outside the SSEB will be routed through the Chairperson.
- \_\_\_ 7. Make necessary arrangements for a suitably large workplace (such as a conference room) which can accommodate all source selection members at the same time and allows for a large number of documents to be spread out and examined and secured when not in use.
- \_\_\_ 8. Explain the necessary arrangements for the required administrative support.
- \_\_\_ 9. Ensure members understand the milestones associated with the project.

## 2.3 Releasing Proposals for Evaluation

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### Security of Proposals

FAR 3.104 FAR 15.413
-------------------------

As you write the SSP, remember that on some complex solicitations, you might determine very early that you will need outside assistance to evaluate proposals. However, you may NOT release source selection information to anyone outside the Government for evaluation, except as authorized by the FAR. This means that your plan **MUST** ensure that proper evaluation can be done with the resources available.

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### Authority to Transmit Information

As a general rule, only the contracting officer, or those superiors having contractual authority may transmit technical information and conduct discussions with prospective contractors.

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### Occasions Authorizing Proposal Release

However, as the agency's implementing regulations permit, you may release proposals outside the Government for evaluation only when:

1. Authorized by the head of the agency.
  2. Identified in the RFP that non-government personnel may be used and may have access to the offerors' proposals.
  3. The outside evaluator agrees in writing to use the data only for evaluation and will NOT further disclose it.
  4. Any restrictive legends applied by the offeror and Government are followed.
  5. All copies and abstracts are returned to the Government after evaluation.
  6. Release outside the Government avoids conflict of interest and takes into consideration organizational conflicts of interest.
-

## 2.4 Drafting the Source Selection Plan

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Source  
Selection Plan  
Outline

It is sometimes helpful to prepare an outline before writing the plan.  
The following includes the type of information you would collect.

---

Sample Source  
Selection Plan  
Outline

### **SOURCE SELECTION PLAN OUTLINE**

Source Selection of \_\_\_\_\_

1. Description of property or service to be acquired.
2. Description of organizational structure, including:
  - (a) Duties of the SSA
  - (b) Duties of the SSEB.
3. Proposed presolicitation activities.
4. A summary of the acquisition strategy.
5. A statement of the proposed evaluation factors including technical/business and price or cost, and their relative importance.
6. A description of the evaluation process, methodology, and techniques to be used, including evaluation standards.
7. A schedule of significant milestones, such as:
  - Release of the RFP
  - Date Proposals due
  - Date Evaluation Starts
  - Date Evaluation Completed
  - Competitive range determination
  - Discussions
  - BAFOs
  - SSEB Briefs SSA on Findings and Evaluation
  - SSA Decision Due
  - Contract Review
  - Execution/Award

(Outline continued on next page)

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## 2.4 Drafting the Source Selection Plan (continued)

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Sample Source  
Selection Plan  
Outline  
(continued)

### **SOURCE SELECTION PLAN OUTLINE**

(continued)

8. A conflict of interest form
  9. Procurement Integrity Certificates
  10. Non-disclosure forms
  11. Provision for a secure meeting place.
-

## 2.4 Drafting the Source Selection Plan (continued)

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Overview of  
Source  
Selection Plan  
Contents

Make sure that the SSP contains the following:

- A clear and concise description of the supply or service to be acquired. Remember that the description must be consistent with the acquisition plan, including the scope, estimated contract dollar amount, and period of performance.
  - An organizational chart showing the relationships among the SSA, SSEB, contracting officer and any other key participants, their duties and responsibilities and names. You can also use a flow chart or matrix table for this purpose.
  - A summary of the acquisition strategy including the type of contract (i.e. FFP, CPFF, CPIF, etc.) and any special features to be included in the contract. Also include a brief rationale as to why this acquisition strategy is recommended.
  - A statement of the evaluation factors and subfactors, their relative importance to one another, a description and standards for evaluation of each factor, and method of evaluation, i.e., by score, adjective rating, color coding, etc. (You develop this information when you create the evaluation criteria. See the next chapter.)
  - A description of the evaluation process, methodology, and techniques to be used, (i.e., “best value” or “lowest price technically acceptable proposal”), manner by which the evaluators will express judgements and the standard for assigning each judgement (numerically, adjective or some combination). If you conclude that you will require non-Government evaluators, provide full justification.
  - A milestone schedule.
-

## 2.4 Drafting the Source Selection Plan (continued)

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Approval by  
SSA

Once the SSP is completed, it must be approved by the SSA. This can be a difficult and lengthy task.

This may include one or more briefings on the work in progress of the SSP (prior to completion) for the SSA. In particular, you should notify the SSA if you are having difficulty developing the evaluation factors or obtaining access to technical experts, such as outside advisors.

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## 2.5 Incorporating the Source Selection Plan in the RFP

---

### General

It is important for certain key information from the source selection plan to be incorporated into sections L and M of the Request for Proposals (RFP). It is more important to remember that the evaluation to be conducted **MUST** be consistent with the evaluation information contained in the RFP in sections L and M. Therefore, the source selection plan and information incorporated into sections L and M **MUST** be consistent for evaluation purposes. The elements of the SSP which you **MUST** incorporate are:

- A clear, concise description of the supply or services required by the Government.
- The type of contract (FFP, CPFF, CPIF, T&M or other).
- The evaluation criteria, including an explanation of either the “best value” or “lowest price technically acceptable proposal” approach.
- Evaluation factors and subfactors. This includes both qualitative and quantitative factors, usually explained in descending order of importance (only applicable in best value approach) .
- Pricing information (unless there is no cost to the Government).
- Instructions to the offeror on preparing, formatting, packaging and submission.

---

### Incorporate into Section L

You **MUST** explain in Section L of the RFP:

- the methods by which the offerors will submit their proposals (proposal instructions).
  - the requirements to specifically address those areas that you will evaluate and score or rate during source selection.
-

## 2.5 Incorporating the Source Selection Plan in the RFP (continued)

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Incorporate  
into Section M

You MUST explain in Section M of the RFP the relative importance of the evaluation factors and significant subfactors, including:

- price or cost.
- technical (including business and management).

In Section M, you are NOT required to disclose the actual weights that will be used for ranking the factors, but you MUST use language that will properly inform offerors of the evaluation factors and significant subfactors for the award and the way the source selection will be made. Remember disclosing any weights is NOT prohibited; however, it is NOT recommended. If you want good proposals you should give the offerors some indication of which factors are more important than others so they can propose accordingly. Our objective is to get a quality commodity or service for the Government, NOT to make the offerors have to guess at what we want. Therefore, your evaluation criteria must be clearly presented in Section M.

---



**SUMMARY**

By this point you have completed the SSP and submitted it for review by the SSA. Once the SSA approves the SSP, it becomes the “charter” for the process. The solicitation will incorporate much of the information that was developed in the SSP. After the SSP is approved, you are ready to brief the technical evaluators. Remember, before you can complete the SSP, you **MUST** include the evaluation factors. Development of the evaluation factors is discussed in the next chapter.

# CHAPTER 3

## DEVELOPING EVALUATION FACTORS

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### Chapter Vignette

*Most of John's experience as a contract specialist had concerned sealed bids and awards based on lowest price to the Government. However, he learned that this procurement would probably be made on the basis of "best value." He also learned that the technical evaluation factors had not been fully developed and he was expected to help. He was somewhat nervous because he had no idea which technical factor should be the most important. Also, he didn't fully understand the concepts of "Go/No-Go" factors and decisional rules. He wasn't even sure of how to get started.*

*Marcia was an experienced contracting officer and had worked on several large "best value" acquisitions. She advised him to relax and take a systematic approach, "Get consensus on what should be the single most important factor first, then work downward from there." John was determined to get his hands on every reference he could find about evaluation factors...*

## Course Learning Objectives

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In this Chapter

At the end of this chapter, you will be able to:

1. Use the SOW in Developing Evaluation Factors,
  2. Research Evaluation Factors Used in Comparable Procurements,
  3. Draft Technical/Business Factors for Evaluating Proposals,
  4. Critique Technical/Business Factors for Evaluating Proposals,
  5. Determine Whether to Award on “Lowest Price Technically Acceptable Proposal” or “Best Value”,
  6. Determine the Relative Importance of Cost/Price and Technical/Business Factors
  7. Determine Factors to be Evaluated by the Multiple Distinctions of Merit Decisional Rule,
  8. Determine Factors to be Evaluated By the Go/No-Go Decisional Rule,
  9. Prepare for Discussions with the Requiring Activity and Reach Agreement with Requiring Activity,
  10. Incorporate Technical/Business Factors in the Solicitation.
-

## Chapter Overview

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### Introduction

As a Contract Specialist you may be required to prepare or help prepare evaluation factors and standards for a Source Selection Plan (SSP). This chapter discusses how you will develop the evaluation factors and standards for source selection. The development of **evaluation factors and standards for source selection** is sometimes the most difficult and important action you will perform as a member of a source selection team. These evaluation factors and standards become a key part of the SSP.

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### Topics in This Chapter

This chapter includes the following topics:

SECT.	TITLE	PAGE
3.1	Basics for Developing Evaluation Factors	3-4
3.2	General Guidelines for Developing Evaluation Factors	3-9
3.3	How to Develop Evaluation Factors	3-11
3.4	Step 1—Use the SOW in Developing Evaluation Factors	3-12
3.5	Step 2—Research Evaluation Factors Used in Comparable Procurements	3-14
3.6	Step 3—Draft Technical/Business Factors for Evaluating Proposals	3-15
3.7	Step 4—Critique Technical/Business Factors for Evaluating Proposals	3-23
3.8	Step 5—Determine Whether to Award on “Lowest Price Technically Acceptable Proposal” or “Best Value”	3-26
3.9	Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors	3-30
3.10	Step 7—How to Determine Factors to Be Evaluated by the Multiple Distinctions of Merit Decisional Rule	3-38
3.11	Step 8—How to Determine Factors to be Evaluated by the Go/No-Go Decisional Rule	3-46
3.12	Step 9—Prepare for Discussions with the Requiring Activity and Reach Agreement with Requiring Activity	3-51
3.13	Step 10—Incorporate Technical/Business Factors in the Solicitation	3-54

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### 3.1 Basics for Developing Evaluation Factors

#### Definitions

Evaluation criteria	The methodology for evaluating proposals including the factors and significant subfactors, the relative importance of the factors and significant subfactors to one another and the measurement of such factors in terms of evaluation standards.
Evaluation factors	<p>Descriptions of those aspects of an offer that are evaluated to assess which offer provides the proposal to best meet the Government's requirements as described in the solicitation. These factors include the following three categories: technical, cost/price and business.</p> <p>NOTE: Cost/Price must always be an evaluation factor, but should not be scored or rated. Past performance must also be an evaluation factor in all competitive negotiated acquisitions expected to exceed \$100,000, except where the contracting officer determines that such action is not necessary. Although quality should be addressed in planning every source selection, it does not have to be an evaluation factor.</p>
Technical evaluation factors	<p>Descriptions of the technical aspects of an offer used to evaluate the merit of the proposed technical approach and/or work to be performed.</p> <p>Examples: technical approach understanding of the requirement compliance with requirement</p>
Cost/Price evaluation factors	<p>Information used to evaluate what the proposed offer will most likely cost the Government. Cost/Price should not be scored or rated.</p> <p>Examples: cost/price reasonableness cost/price realism life cycle cost cost risk</p>
Business evaluation factors	<p>Aspects used to assess performance of the offerors.</p> <p>Examples: relevant experience past performance management plan company resources quality of product/service</p>

### 3.1 Basics for Developing Evaluation Factors (continued)

#### Definitions

Evaluation Standards	A predetermined level of merit against which proposals are measured. Standards are usually a statement of the minimum level of compliance with a requirement which must be offered for a proposal to be considered acceptable.
Significant subfactors	The breakdown of an evaluation factor. For a subfactor to be significant it must be rated.
Assessment Criteria	Areas of consideration common to more than one evaluation factor.
Best Value	The concept that allows award to the offeror providing the greatest value to the Government in terms of trade-off between price/cost and technical/business merit. One or more of the factors other than cost or price are evaluated using multiple distinctions of merit.
Decisional Rule	Methodology of how you evaluate the factors and subfactors.
Go/No-Go Factors	Factors where no additional credit is granted for exceeding a minimum standard of acceptability. Go/No-Go Factors are also called Pass-Fail factors.
Multiple Distinctions of Merit	Factors where additional credit is granted or factors that establish a method to rank offers other than on a “pass-fail” basis.
Rating/Scoring Method	A method of rating/scoring an evaluation factor in relationship to its corresponding standard such as numerical, adjective, color, etc.

### 3.1 Basics for Developing Evaluation Factors (continued)

#### Definitions

Rating/Scoring Instructions	Instructions given to each evaluator on how to rate or score evaluation factors.
Standards of Responsibility	Standards which measure whether the offeror is able to provide the supplies or services. FAR 9.103 requires a determination of responsibility. The Go/No-Go decisional rule applies.
Special Standards of Responsibility	Special standards are established to minimize performance risk which is not adequately addressed by normal standards of responsibility.
Evaluation Matrix	A chart which helps in developing the solicitation by cross referencing the evaluation areas against the factors and subfactors.

### 3.1 Basics for Developing Evaluation Factors (continued)

#### References

References You Will Need      You should consult the following references before you begin to develop the evaluation factors:

- FAR Parts 3 and 15,
- The SOW (including any OMB A-76 analysis, if applicable),
- Sample model procurement documents from your policy office,
- Any special guidance from the SSA or the requesting office.

The following chart includes references from various agencies:

GSA	Transportation	Commerce	DOD
<p>GSA Order ADM 2800.12D (Source Selection Procedures Handbook)</p> <p>Source Selection Procedures—Lessons Learned</p> <p>GSA Order, Committee management (ADM 5420.40D)</p> <p>Source Selection Evaluation Board Members</p> <p>Important Considerations for Source Selection of Federal Information Processing (FIP) Resources Using the Greatest Value Approach</p>	<p>Transportation Acquisition Regulation</p> <p>Transportation Acquisition Manual</p>	<p>Commerce Acquisition Manual (CAM)</p>	<p><b>DFARS</b> DFARS 219.705-2</p> <p><b>AIR FORCE</b></p> <p>AFFARS Appendix AA AFFARS Appendix BB AFR 12-50 Table 70-1</p> <p><b>NAVY</b></p> <p>Navy Acquisition Procedures Supplement Subpart 5215.6</p> <p>SCCNAVINST Handbook 4200.33</p> <p><b>DLA</b></p> <p>Buying Best Value Through Source Selection</p>



### 3.1 Basics for Developing Evaluation Factors (continued)

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#### General

The evaluation factors must complement the statement of work and/or specifications. In addition, the evaluation factors must provide a means of discriminating among proposals. Evaluation factors include technical, price/cost, and business factors. At times business and technical factors are combined.

---

#### FAR Requirements

FAR  
15.605(e)

The FAR requires you to clearly state the evaluation factors and any significant subfactors that will be considered in making the source selection. You **MUST** list all evaluation factors, including price or cost and any significant subfactors in Section M of the RFP.

FAR  
15.605(e)

Numerical weights, if used, need **NOT** be disclosed.

FAR  
15.605(b)

Price/Cost is considered as an evaluation factor in every source selection but is not a part of the rating/scoring process.

---

#### Stating the Importance of Evaluation Factors

In addition to the Evaluation Factors, you must state in the solicitation the relative importance of the factors and significant subfactors that will be considered.

This means that you **MUST**:

- thoroughly research the evaluation factors,
  - select the most appropriate factors,
  - determine whether the award should be based on “lowest price technically acceptable proposal” or “best value”,
  - establish the relative importance of the factors *to one another*,
  - clearly explain the factors and subfactors in Section L and list them in Section M of the solicitation.
-

## 3.2 General Guidelines for Developing Evaluation Factors

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### General Guidelines

The evaluation factors you select depend on the specific nature of the procurement. All procurements vary, so it is NOT a good idea to just copy evaluation factors from similar or old procurements. However, you may apply the following general guidelines when you generate factors.

- **Consistency.** The technical evaluation factors must agree with the statement of work and/or specifications. It is important that they are accurately described in the source selection plan. Likewise, it is most important that the evaluation factors are accurately incorporated into the solicitation. The evaluation factors and the statement of work/specifications must accurately identify the basis for the Government's measurement of how each offeror's proposal meets the Government's requirement.
- **Limited in Number.** Avoid the tendency to generate too many evaluation factors. A large number of factors dilutes the relative importance of the most significant factors. Also, having a very large number of factors may create overlap and waste valuable time. Eliminate those factors which are not important enough to influence the source selection.
- **Independence.** You must select evaluation factors that do not overlap one another. For example, "evidence of successful completion on similar projects" and "applicable project experience" are nearly the same factor. Eliminate or consolidate factors which overlap.
- **Relevance.** An evaluation factor may be valid (measure what it is supposed to measure) without being relevant to the source selection. For example, in a source selection for services, you would NOT ask for experience in manufacturing. Even if you had a valid evaluation factor for "manufacturing experience," it would NOT be relevant to services. Ask "does this factor really belong in the evaluation?"

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(continued on next page)

### 3.2 General Guidelines for Developing Evaluation Factors (continued)

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Example of  
Specific  
Guidelines

The DLA Handbook, *Buying Best Value Through Source Selection*, adds the following:

There are three basic requirements for evaluation factors:

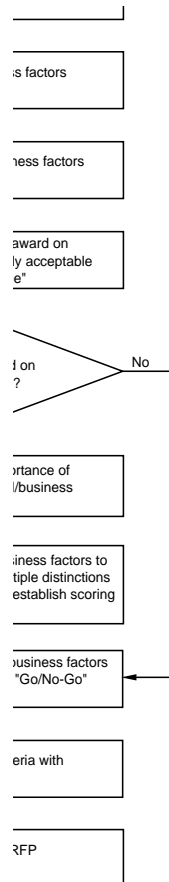
- (1) The factor must be a variable, i.e., there must be a reasonable expectation of variance among offerors.
  - (2) The variance must be measurable. This does not mean that it must be quantifiable. Qualitative measurements are equally valid.
  - (3) The factor must be determinant. The Comptroller General has stated in several decisions that the use of an area as an evaluation factor is valid only if the agency's needs warrant a comparative evaluation of those areas. The FAR reinforces this by stating that the evaluation factors will include only those factors which will have an impact on the source selection decision. The simplest way to assess determinance is to ask yourself: "Is the Government willing to pay more for higher merit in this factor?"
-

### 3.3 How to Develop Evaluation Factors

Flowchart for  
Developing  
Evaluation  
Factors

Once you have assembled and read the reference documents and the general guidance above, you are finally ready to start generating the evaluation factors you will need for your source selection.

This flowchart shows the steps in developing evaluation factors.



### 3.4 Step 1—Use the SOW in Developing Evaluation Factors

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**Introduction** As a Contract Specialist it is your responsibility to make sure that the evaluation factors address the requirement as presented in the SOW. The SOW is your starting point in developing evaluation factors. In most cases, the requiring activity will already have developed the evaluation factors. If so, you should review the evaluation factors and check them against the SOW to see if they seem reasonable (see Step 4). If the requiring activity has not developed the evaluation factors, you must be able to guide the source selection board to develop the evaluation factors. In any case, the SOW is your starting point.

---

**Check the SOW** Read the SOW until you understand it thoroughly. If there is any question whatsoever about the specifications or SOW, ask the requiring activity and technical specialist. You must understand the SOW requirements thoroughly before you can check or develop evaluation factors.

---

**Check for Evaluation Factors** Remember, if you are a member of, or advisor to, a source selection board, you must apply the evaluation factors:

- First, make sure there is at least one evaluation factor or significant subfactor listed for each supply item, service, or specification for which you want to distinguish merit among proposals. Ask yourself, “Is there an evaluation factor to evaluate this requirement?” If not, you must generate an evaluation factor or significant subfactor. All requirements must be evaluated, but a single factor can cover multiple requirements (or aspects of the requirements).

**For example,** if the SOW calls for delivery of a service, is there an evaluation factor to measure how well or how soon, or how frequently that service will be provided?

- Second, make sure the evaluation factors are consistent with the solicitation requirements.

**For example,** if an evaluation factor calls for “offeror experience,” check the SOW to make sure the requirement for such experience is justified.

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(continued on next page)

**3.4 Step 1—Use the SOW in Developing Evaluation Factors** (continued)

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Identify Special Problem Areas	Ask yourself, “What are the likely problem areas in this type of procurement?” Does it require new or untried technology? Will it be hard to manage? Difficult to predict costs or performance? List the special problem areas carefully. This will help you narrow down the research for comparable procurements.
--------------------------------------	--

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### 3.5 Step 2—Research Evaluation Factors Used in Comparable Procurements

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Introduction	The next step you will make is to research the evaluation factors you will need to support completion of the Source Selection Plan and the solicitation.
Research Factors Used in Comparable Acquisitions	<p>Research the factors you will need. Check similar or comparable procurements from recent files of successful procurements. <i>It is strongly recommended that you also check evaluation factors in the sample procurement documents from your policy office.</i> “Lessons Learned” reports describing the successful and, more importantly, the unsuccessful procurements are a valuable source of information. Questions you may ask yourself include the following:</p> <ul style="list-style-type: none"><li>• “How have the factors fared in previous protests and court cases?”</li><li>• “How much competition did the agency receive on prior procurements?”</li><li>• “Have the ACOs experienced trouble with prior contracts?”</li></ul> <p>Do NOT limit yourself to your agency’s acquisitions.</p>
Check for Similarities to Other Procurements	Once you are sure that you understand the SOW and the proposed evaluation factors and special problem areas, you can compare this SOW to similar, recent acquisitions. Look for similarities to other recent procurements in your agency, other Government agencies and the private sector. Ask yourself, “What is it about this acquisition that makes it similar to other recent procurements?” Is it a large scale computer acquisition? A construction project? A purchase of consulting services? No matter what it is, the odds are that there is a history of similar procurements you should check.
List All Evaluation Factors	The goal in researching factors is to identify evaluation factors you think you will need. In many cases, the evaluation factors will already be identified by the requiring activity.

### 3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals

---

#### Introduction

In this step you will learn the procedures you will follow if you are required to draft the evaluation factors for evaluating proposals. Technical and business evaluation factors are used to measure the degree to which the offer meets the technical/business requirements of the acquisition. Usually, the proposed evaluation factors will already have been drafted by the requiring activity, and you will have to review and critique them for their usefulness in evaluating proposals. However, in some cases, the board may have to draft the evaluation factors.

It may be necessary to develop one or more subfactors to measure each of the factors. For example, “Technical Approach” can be a broad measure which requires several subfactors for proper measurement. In turn, each subfactor may require one or more elements.

---

#### Understand the Level of Risk

Before you can determine the specific technical evaluation factors that you will require, you must first ***understand the level of risk*** connected with all parts of the acquisition. There are various types of risks. There are risks associated with the contractor and risks associated with the offeror's technical proposal. This is especially important in a complex or new technology acquisition, such as a communications, a large computer system, or a large support services effort.

Although you are not expected to be a technical expert, ***you may have to ask many questions of technical experts*** to understand the performance risks, before you can determine the overall risk. Simply reading the specifications may not provide an understanding of the risks.

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(continued on next page)



### 3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals

(continued)

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#### Definitions of Risk

Usually, you can assess the level of risk as either, HIGH, MODERATE, or LOW.

- HIGH risk is *likely* to cause significant serious disruption of schedule, increase in cost, or degradation of performance, even with contractor emphasis and close Government monitoring.
- MODERATE risk *can potentially* cause some disruption of schedule, increase in cost, or degradation of performance. However, special contractor emphasis and close Government monitoring will probably overcome difficulties.
- LOW risk has *little* potential to cause disruption of schedule, increase in cost or degradation of performance. Normal contractor emphasis and normal Government monitoring will probably be able to overcome difficulties.

If the supply or service in this acquisition is NOT well understood, has never been provided before, or can only be provided by a relatively small number of offerors, then the risk to the Government is usually high. If you select an offeror for award based only on the lowest cost, there is a greater risk that the offeror may NOT be the one who can provide the product or service at the minimum standard required by the Government. You now develop technical factors for selecting that one offeror who is most likely to meet the Government needs at the lowest acceptable risk.

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#### Examples of High Risk

Examples of such high risk acquisitions include highly complex buys and those which are affected by rapid advances in technology. Examples include specialized computer systems, custom built or one-of-a kind machinery, or a complex acquisition which requires many subcontractors managed by a prime contractor.

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(continued on next page)

### 3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals

(continued)

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#### Request for Risk Analysis

If you conclude that there is a moderate or high risk, you may decide to require offerors to submit a ***risk analysis plan*** as part of the technical approach or business proposals. You must then include specific instructions to do so in the solicitation and ensure that evaluation factors or subfactors are developed to measure the offerors' risk analysis.

The risk analysis plan should require offerors to submit a detailed risk analysis which identifies specific risk areas and makes specific recommendations to minimize the impact of those risks.

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#### Draft Evaluation Factors

Once you are sure that you understand the technical risks in the acquisition, then you are ready to draft the technical and business factors. These are often referred to as if they are the same, but *in some acquisitions, there may be separate requirements for technical factors and for business factors*.

Usually, if a solicitation calls for separate technical and business proposals, the purely technical factors are developed first. That is because technical considerations may have an influence on the business factors. The same procedures are used to draft both.

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### 3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals

(continued)

Categories of  
Technical/  
Business  
Evaluation  
Factors

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Although the specific evaluation factors will vary from one procurement to the next, there are certain factors and subfactors which are used in most source selection evaluations. The four most common major categories include:

#### **Business Evaluation Factors:**

**Management.** Factors in this category evaluate how the project will be controlled. Depending on the specific needs of your procurement, you may wish to include typical subfactors such as control and accounting procedures, organization schemes, subcontracting plans, reporting procedures, or special security arrangements. Increasingly, quality control (QC) or Total Quality Management (TQM) measures are included as a key subfactor.

**Staffing.** Factors in this category evaluate the quality of the work force which will execute the project. Typical subfactors you may consider include key personnel qualifications (resumes) and special training qualifications, capabilities, cross-training or certifications, as shown in a qualification matrix.

**Offeror Experience.** Factors in this category evaluate the offeror's history or "track record" on similar projects. This typically requires offerors to submit detailed project summaries or examples of completed work, with points of contact who can be called for information on past performance. (Some agencies include "offeror experience" in business factors and some in technical factors.)

#### **Technical Evaluation Factors:**

**Technical Approach.** Factors in this category evaluate how the work will be technically performed. Subfactors you may want to consider include comprehension of requirements, plans, technical innovation, methodology, safety and accident prevention measures, and special materials.

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### 3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals

(continued)

Sample  
Factors

The following table shows some evaluation factors which may be used in typical solicitations. Remember, each of these evaluation factors may require development of one or more factors (and several subfactors with one or more elements) and standards for measurement.

SAMPLE EVALUATION FACTORS FOR SOURCE SELECTION	
<b>General Management:</b>	<ul style="list-style-type: none"> <li>• Quality Control</li> <li>• Cost Accounting</li> <li>• Management Information Systems</li> <li>• Cost Schedule Control Systems</li> <li>• Estimating</li> <li>• Subcontract Management</li> <li>• Property Management</li> <li>• Security</li> <li>• Safety and Accident Prevention Programs</li> <li>• Procurement Systems</li> <li>• Continuous Process Improvement</li> <li>• Reports and Procedures</li> <li>• Recycling – RCRA</li> </ul>
<b>Past Performance:</b>	
<b>Technical Comprehension of Requirements:</b>	<ul style="list-style-type: none"> <li>• Scope and Methods</li> <li>• Experience</li> <li>• Work Control Methods</li> <li>• Innovation</li> <li>• Value Engineering</li> </ul>
<b>Organization and Staffing:</b>	<ul style="list-style-type: none"> <li>• Key Personnel</li> <li>• Skill Mix</li> <li>• Accountability</li> <li>• Capacity (surge capacity)</li> </ul>
<b>Experience:</b>	<ul style="list-style-type: none"> <li>• Comparable Size and Complexity</li> </ul>
<b>Phase-In Plan:</b>	<ul style="list-style-type: none"> <li>• Implementation Schedules</li> <li>• Learning Curve</li> </ul>

### 3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals

(continued)

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**Draft Subfactors**      A factor, by itself, may be too broad to measure key aspects of the proposal, so you may have to develop two or more subfactors for a given evaluation factor. For example, a factor such as “Technical Approach” for a computer system acquisition may be broken down into the subfactors for “hardware installation plan,” “software installation plan,” “network services and maintenance plan,” and other subfactors.

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**Draft Elements**      In turn, a subfactor may require breaking down into various related elements. For example the subfactor “software installation plan” might be broken down into elements including “installation,” “debugging,” “conversion of files,” etc., depending on technical requirements. Usually, the technical personnel are the most qualified to recommend which factors, subfactors, and elements are needed.

The following table shows the relationship among factors, subfactors and elements in a hypothetical offer for a computer acquisition requiring hardware, software, and maintenance:

EVALUATION FACTOR LEVEL	EXAMPLES		
	1	2	3
Factor	Hardware	Software	Maintenance
Subfactor	Installation Time Required	Installation Time Required	Up Time Required
Element	Start Date	Start Date	Start Date(s)
Element	Risk	Risk	Reliability

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(continued on next page)

### 3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals

(continued)

Establish  
Standards for  
Evaluation  
Factors

**There SHOULD be a standard of measurement for each technical/business factor and each subfactor and element.**

This is one of the most important steps in the process. Too often, protests are upheld because it was determined by the GAO, GSBCA, or the courts that proposals were not consistently evaluated. The purpose of the standards is to maintain a fair evaluation of each offeror's proposal.

As the Contract Specialist you **MUST** assure standards for each factor and significant subfactor are developed. *The standard normally establishes the minimum acceptable level of compliance that must be offered for a factor, significant subfactor, or element to be considered acceptable.* Standards are used to measure how well each offer meets, fails to meet, or exceeds, the requirements.

For example, if one factor is "capacity," then the standards must explain how capacity will be measured, such as "units of production per hour," etc.

The standards you establish for each factor will be either "**qualitative**" or "**quantitative.**"

Qualitative vs.  
Quantitative  
Standards

A **quantitative** standard relates to terms of quantity or a measurement of quantity.

An example of a quantitative standard might involve an acquisition of new machinery, such as a high speed printer. In this hypothetical case, you are concerned with whether the printer speed meets, fails to meet or exceeds the required speed.

The following language describes this standard applied to a hypothetical technical factor called "Operating Speed."

*"This standard is met when the printer will print 50 sheets per minute for a period of at least five (5) hours of continuous operation without shut down or stoppage for cooling or other routine operator maintenance during an acceptance test."*

A printer that meets the operating speed requirement could be awarded a satisfactory rating. A printer that exceeds the minimum operating speed could be awarded extra points or a greater degree of merit.

(continued on next page)

### 3.6 Step 3—Draft Technical/Business Factors for Evaluating Proposals

(continued)

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Qualitative  
Standard

A **qualitative** standard relates to quality or kind. It does not relate specifically to quantity.

The following language describes a qualitative standard applied to a hypothetical factor called “compliance with quality control program”.

*“This standard is met when the offeror provides evidence of a documented and functioning quality control (QC) program. The offeror's QC program may be subject to a formal evaluation or random audit by representatives from this agency's Office of Quality Assurance. This agency will use the ‘American National Standards Institute's General Requirements for a Quality Control Program (Standard z1.8)’ to evaluate the offeror's QC program.”*

Another example of a qualitative standard might be for experience in hazardous waste training.

*“This standard shall be met when the offeror provides evidence of a documented and functioning in-house training program for the handling, transport and disposal of hazardous waste in accordance with EPA and state guidelines and regulations.”*

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### 3.7 Step 4—Critique Technical/Business Factors for Evaluating Proposals

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**Introduction** As the Contract Specialist, you must critique the proposed technical/business evaluation factors. In most cases, the source selection plan will already contain the proposed evaluation factors for the technical and business proposals. However, if you are advising a Source Selection Evaluation Board, or serving as a member, you cannot merely accept these as final. You must critique each evaluation factor to make sure it is reliable and valid.

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**Critique Proposed Technical/Business Factors** Regardless of who develops the technical or business factors that will be used to evaluate the proposals, you must make sure that each factor and subfactor is critiqued to ensure it is reliable and valid.

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**Summary Outline** As you critique the proposed evaluation factors, carefully document the strengths and weaknesses of each factor, any recommended changes and any questions to be clarified later in discussions with the requesting activity. The notes you take here will be the basis for the *summary outline* you will use in these discussions.

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**Analyze Each Factor** It is important NOT to take any evaluation factor at face value. You MUST ensure that each evaluation factor, subfactor, standard and relative importance (weight) is critiqued and analyzed to be sure that it is **reliable, valid, and relevant**. These factor requirements are in addition to the general guidelines stated on page 3-9.

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### 3.7 Step 4—Critique Technical/Business Factors for Evaluating Proposals

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Reliability	<p><b>Check for Reliability.</b> A <i>reliable</i> factor is one which can be applied consistently by the source selection evaluators in a uniform manner to rate each proposal the same way with minimum variation among the evaluators. If two evaluators provide widely different ratings to the same factor on the same proposal it could reflect a problem with the standard.</p>
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*A major problem with the reliability of an evaluation factor, subfactor, or standard is that language used to describe it may be subject to different interpretation. For this reason, you must be especially aware of language that is vague, ambiguous or subject to different interpretation by evaluators.*

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Validity	<p><b>Check for Validity.</b> A <i>valid</i> factor is one which measures what it claims to measure. For example, assume there is a requirement for “Corporate Experience” as an evaluation factor. Measuring the experience of several key personnel in a company may not be valid as a measure of “Corporate Experience,” because the key personnel may have gained their experience elsewhere and have not worked together.</p>
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Relevance	<p><b>Check for Relevance.</b> A <i>relevant</i> factor is one that belongs in the source selection. For example, if you are selecting an offeror to provide maintenance services, you should question the relevancy of an evaluation factor that is NOT related to maintenance services.</p>
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### 3.7 Step 4—Critique Technical/Business Factors for Evaluating Proposals

(continued)

#### Common Problems

The following table provides some of the most common problems or weaknesses found in draft factors, subfactors and standards.

- Vague or ambiguous descriptors
- Inconsistency between the SOW and proposal preparation instructions
- Absence of any relationship to the SOW
- Missing elements (e.g., factors are missing standards or measures of relative importance)
- Logical fallacies (e.g., weights for the subfactors exceed the total points allocated for the factor)

IF...	THEN...
<ul style="list-style-type: none"> <li>• The wording of an evaluation factor (or standard) is vague or ambiguous (do panel members agree on the meaning?)...</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• The language describing the factor (or standard) does NOT establish the minimum acceptability...</li> </ul>	<ul style="list-style-type: none"> <li>• Rewrite the terminology to define what the language means and how it will be applied in the procurement, or eliminate the factor (or standard). All panel members MUST agree on the meaning. Examples of ambiguous terms are “similar,” “comparable,” “satisfactory,” and “substantial.”</li> </ul>
<ul style="list-style-type: none"> <li>• The description of the factor does NOT clearly specify the elements or subfactors which are needed...</li> </ul>	<ul style="list-style-type: none"> <li>• Rewrite the evaluation factor to indicate the elements or subfactors required.</li> </ul>
<ul style="list-style-type: none"> <li>• If the importance assigned to each factor or subfactor does NOT accurately reflect its relative importance and relationship to one another...</li> </ul>	<ul style="list-style-type: none"> <li>• Revise the relative importance.</li> </ul>
<ul style="list-style-type: none"> <li>• Duplicate factors for one requirement are used...</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure the factors evaluate distinct aspects of the requirement, or,</li> <li>• Eliminate or consolidate duplicate factors.</li> </ul>
<ul style="list-style-type: none"> <li>• The evaluation factors appear very complex, difficult to apply and may require help from outside (non-Government) advisors...</li> </ul>	<ul style="list-style-type: none"> <li>• Request outside advisors as soon as possible, but remember there MUST be NO conflict of interest.</li> </ul>

Now that you have determined the evaluation factors needed for your procurement, you will need to determine the method for selecting the successful offeror.

### 3.8 Step 5—Determine Whether to Award on “Lowest Price Technically Acceptable Proposal” or “Best Value”

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Introduction	The next step you make is to determine the method for selecting the successful offeror. In other words, how are you going to evaluate factors and compare proposals?
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“Lowest Price Technically Acceptable Proposal” or “Best Value?”	<p>In this step, you decide whether to recommend award on the basis of “lowest price technically acceptable proposal” or “best value”.</p> <p>A “Lowest Price Technically Acceptable Proposal” is a proposal which offers the best price to the Government after minimum technical requirements have been met. All factors are evaluated using the “Go/No-Go” decisional rule. Examples are the acquisition of janitorial services or snow-removal services.</p>
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“Best Value” is the concept that allows award to the offeror providing the greatest value to the Government in terms of tradeoff between price/cost and technical merit. One or more of the evaluation factors are evaluated using multiple distinctions of merit. Award does not have to be made to the lowest price offeror.

In some cases, it is very clear early in the presolicitation phase that an acquisition must be made on the basis of “best value.” In other cases, this may not be clear until you begin to develop the evaluation factors.

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### 3.8 Step 5—Determine Whether to Award on “Lowest Price Technically Acceptable Proposal” or “Best Value” (continued)

Prediction of  
Cost  
Performance

Remember that price/cost is always an evaluation factor. Sometimes, the Government CANNOT predict cost performance, nor provide data for the offeror’s cost estimation. The risk to the offeror may be unusually high, or the Government may demand very high qualifications or experience which a low cost offeror may NOT possess.

In the following table, such as in Example 2, the Government may need firms with higher technical capabilities to ensure that the Government acquires best value.

	IF...	THEN...
Example 1	<p>The Government’s needs can be met by any offeror who meets the minimum requirements for technical acceptability...</p> <p>AND</p> <p>The procurement is straightforward and uncomplicated with few or no problems encountered in satisfying past Government requirements...</p>	<p>The “Lowest Price Technically Acceptable Proposal” approach may be best.</p>
Example 2	<p>The Government’s requirements are difficult to define, complicated, and/or have been historically troublesome...</p> <p>AND</p> <p>There is a rationale to support paying more money to select a more advantageous proposal...</p>	<p>The “Best Value” proposal approach is usually best.</p>

### 3.8 Step 5—Determine Whether to Award on “Lowest Price Technically Acceptable Proposal” or “Best Value” (continued)

“Lowest Price Technically Acceptable” Approach—Two Step Method

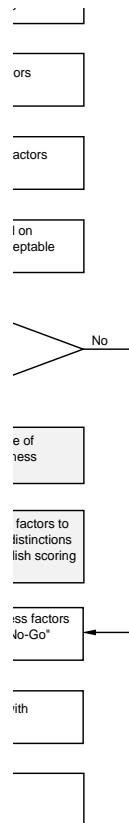
If you decide to follow the “lowest price technically acceptable proposal” approach, you can do this in two steps, especially if you think there may be several offerors and you want to narrow the range of offerors. This is the simplest type of source selection.

STEP	ACTION
1. Evaluate Technical & Business	a. Request technical & business proposal only—no cost or pricing data, b. Evaluate technical & business factors, c. Notify offerors that do NOT meet standards.
2. Evaluate Price	a. Request price proposal only, b. Award to lowest price technically acceptable proposal.

### 3.8 Step 5—Determine Whether to Award on “Lowest Price Technically Acceptable Proposal” or “Best Value” (continued)

Source Selection Based on the “Lowest Price Technically Acceptable Proposal” Approach

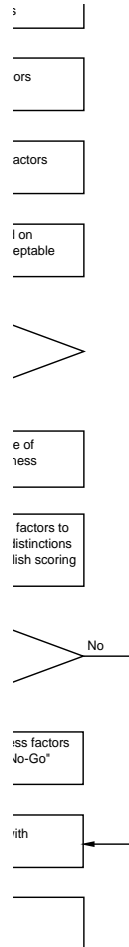
The following flow chart illustrates the steps necessary for a source selection based on the “lowest price technically acceptable proposal” approach.



### 3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors

## Introduction

The following flow chart illustrates the steps necessary for a source selection based on the “best value” approach.



### 3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors (continued)

Cost/Price as a Factor	Cost/Price must be a factor in every source selection. Price must be a significant factor to have adequate price competition.
Importance of Cost/Price as a Factor	Cost/Price is a factor which must be evaluated in every procurement except one that does not involve a cost to the Government. The relative importance you assign to the price is essential to any trade off decisions made later by the SSA. For example, if the technical risk is very high and very important, you will probably assign a relatively lower importance to cost/price. If the technical risk is relatively lower, then the importance assigned to cost/price will be higher.
Comp Gen. B244395	The Comptroller General has also ruled that if the solicitation does NOT indicate the relative importance of all evaluation factors, they are considered approximately equal in weight. There have been several decisions on this issue. (Comp Gen. Able/One Refrigeration Inc., B244395, Oct. 28, 1991, 91-2CPD para. 384)
Importance of Technical Risk	In most acquisitions based on “best value,” factors other than price are often given more weight and importance. This is especially important when there is a high technical risk and thus a greater requirement to select an offeror with stronger technical capabilities to reduce the risk. As a general rule, the higher the risk, the greater the emphasis on technical factors over price.



### 3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors (continued)

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#### Measures of Relative Importance

After the factors, subfactors, and elements have been completed, you must develop an explanation of the relative importance of each one to the others. For example, if the factor “Technical Approach” is the most important factor, the rationale must be clearly explained.

Relativity among the factors can be established by:

- priority statements,
- OR
- numerical relationships of the individual factors.

Remember, numerical formulas limit tradeoff decisions by the SSA later on.

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#### Priority Statements

Priority statements are the preferred method of establishing relative weights. This method allows the SSA more flexibility for trade-off decisions between the technical/business and the differences in the proposed cost/price.

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#### Numerical Relationships

Relative importance based on the numerical relationship between factors occurs when a specific weight is established for each factor. This is the least preferred method. It allows the least flexibility to the SSA.

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#### Relative Importance of Subfactors

The **relative importance** for factors and subfactors **MUST** be included in the solicitation and should appear in Section M of the RFP.

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**3.9 Step 6 (cont)      EXAMPLES OF RELATIVE IMPORTANCE**


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**Example 1. Priority Statement**

Proposals will be evaluated on technical/business qualifications and price. The technical/business qualifications factors will rank as the highest factors in this procurement, and are significantly more important than price, although price will also be important in the evaluation process. Within technical qualifications, there are three subfactors. These are corporate capabilities, key personnel and past performance data. Corporate capability is of greater importance than the other two subfactors. Key personnel and past performance data are of equal importance.

**Example 2. Priority Statement**

The Government will make award to the responsible offeror(s) whose offer conforms to the solicitation and is most advantageous to the Government, cost or price and technical factors listed below considered. For this solicitation, technical quality is more important than cost or price. *As proposals become more equal in their technical merit, the evaluated cost or price becomes more important.*

The technical evaluation factors listed below are in descending order of importance:

- (1) Experience on similar contracts
- (2) Quality control system
- (3) Capacity to deliver on time

Note: You should recognize the italicized statement is often used but does not change the relative importance of the technical and price/cost factors. It emphasizes the inherent relationship between evaluation factors. As the relative standing of proposals becomes more equal for any one factor the importance of the other evaluation factors increases.

**Example 3. Priority Statement**

The Government will make award to the responsible offeror(s) whose offer conforms to the solicitation and is most advantageous to the Government, cost or price and technical factors listed below considered. For this solicitation, cost or price is more important than the combined weight of technical factors.

The technical evaluation factors listed below are in descending order of importance:

- (1) Management approach
- (2) Experience on similar projects
- (3) Qualifications of key personnel

**Example 4. Priority Statement**

The Government will make award to the responsible offeror(s) whose offer conforms to the solicitation and is most advantageous to the Government, cost or price and technical factors listed below considered. For this solicitation, technical quality is more important than cost or price. *When technical proposals are evaluated as essentially equal, cost or price may be the deciding factor. When cost or price proposals are evaluated as essentially equal, technical quality may be the deciding factor.*

The technical evaluation factors listed below are in descending order of importance:

- (1) Experience on similar projects
- (2) Management approach
- (3) Capacity to accomplish work in required time

Note: This is a statement of relative importance that should be avoided. The italicized statement is very misleading. As the relative standing of proposals becomes more equal for any one factor the importance of the other evaluation factors increases.

(Examples continued on next page)

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**3.9 Step 6 (cont)      EXAMPLES OF RELATIVE IMPORTANCE**

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**Example 5. Priority Statement**

The Government will make award to the responsible offeror(s) whose offer conforms to the solicitation and is most advantageous to the Government, cost or price and technical factors listed below considered.

The technical evaluation factors listed below are in descending order of importance:

- (1) Past performance on similar projects
- (2) Management approach
- (3) Experience on similar projects
- (4) Qualifications of key personnel

Price is less important than the combined weight of the technical factors listed above.

**Example 6. Lowest Price Technically Acceptable Proposal**

The Government will make award to the offeror(s) submitting the lowest-priced technically acceptable proposal.

“In order to be considered technically acceptable, proposals must meet the following minimum requirements:

- (1) Experience on similar contracts. The offeror must demonstrate that it has successfully performed at least three similar contracts within the past 3 years.
- (2) Technical specification requirements. The offeror must demonstrate that the product offered complies with the mandatory technical requirements described in Section C.1. of the solicitation.

**There is no relative importance for Go/No-Go factors.**

**Example 7. Numerical Relationship**

The Government will make award to the responsible offeror(s) whose offer conforms to the solicitation and is most advantageous to the Government, cost or price and technical factors listed below considered.

The evaluation factors listed below are in descending order of importance:

- (1) Past performance on similar projects
  - (2) Management approach
  - (3) Experience on similar projects
  - (4) Qualifications of key personnel
  - (5) Price/cost
- 

(continued on next page)

### 3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors (continued)

3-Step Method  
for Weighting  
Evaluation  
Factors  
(continued)

STEP	ACTION
1	<p><b>Start with the least important factor</b> and assign a weight of 10.</p> <p>Next, go to the next most important factor and assign a weight that shows how much more important that factor is relative to the least important factor.</p> <p>For example, if the next factor is twice as important as the least important factor, you assign it a weight of 20. Continue this process, working from the least important upward to the most important until all factors have been weighted.</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p>For example, suppose you had four factors:</p> <ul style="list-style-type: none"> <li>• Least important factor = 10 points</li> <li>• Next most important factor is twice as important, so it equals 20 points</li> <li>• Next most important factor is three times as important as the least important, so it equals 30 points</li> <li>• Most important factor is four times as important as the least important, so it equals 40 points.</li> </ul> <p>The total points are <math>(10+20+30+40) = 100</math>.</p> </div> <p>Make sure that you do not exceed a total of 100 points for all factors combined.</p>
2	<p>Once you have completed the weighting for all the factors, then return to the least important factor. Use the same process for subfactors.</p> <p>Within each factor, <b>start with the least important subfactor</b>. Follow the same procedure as in Step 1.</p> <p>Then go to the next most important subfactor within that factor. Assign a weight that reflects how important it is relative to the least important subfactor.</p> <p>Continue this process until all the subfactors within the least important factor are accounted for before you go on to the next most important factor.</p>
3	<p>The third step is to <b>“normalize” the weights</b>. Normalization is a mathematical technique used to make all the factor weights add up to 100 and each group of subfactors to add up to the total weight within that factor.</p> <p>Add up the weight assigned to all the major factors and multiply by 100 to give the final weight.</p> <p>Then within each major factor, multiply the subfactor weight by the major factor weight.</p> <p>Examples of normalizing the weights are given on the next page.</p>

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### 3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors (continued)

**Example 1**  
Normalizing  
the Weights in  
Factors

An example of this method follows. Assume that there are three major factors in a procurement: Technical, Management and Key Personnel.

- Key personnel is the least important.
- Management is twice as important as Key Personnel.
- Technical is five times as important as Key Personnel.

The resulting weights would be:

- Key Personnel: 10
- Management: 20
- Technical: 50

If you were distributing 100 points, the relative weights would be:

For Key Personnel:  $10/80 \times 100 = 12.5$ .

For Management:  $20/80 \times 100 = 25$ .

For Technical:  $50/80 \times 100 = 62.5$

**Example 2**  
Normalizing  
the Weights in  
Subfactors

Assume the Management factor consisted of five subordinate subfactors in the following relative order of importance:

- Quality Control - 80
- Subcontract Administration - 55
- Government Interface - 50
- Reports and Procedures - 40
- Security - 10

The math for the “Quality Control” subfactor would be:

$80/235 \times 25 = 8.5$ .

**Weights Less  
Than One**

If, after normalizing, you end up with a weight of less than “one” for any factor, it may be trivial and you should consider deleting it or combining it with another factor.

(continued on next page)

### **3.9 Step 6—Determine the Relative Importance of Cost/Price and Technical/Business Factors**

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Next Step	At this point you have determined the evaluation factors and the relative importance of each factor. The next step is how to evaluate each individual factor.
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### 3.10 Step 7—How to Determine Factors to be Evaluated by the Multiple Distinctions of Merit Decisional Rule

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Decisional Rules	<p>There are two basic ways in which decisions regarding merit are made. They are referred to as “decisional rules.” The first is a discrete determination of acceptability (Go/No-Go), the second allows for multiple distinctions of merit. Price is NOT subject to the decisional rules.</p>
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Go/No-Go Decisional Rule	<p>The Go/No-Go decisional rule is applied to the evaluation of the factors. The offer either meets or does not meet the minimum standards of acceptability. There is no extra credit awarded for exceeding the standards. Examples of Go/No-Go factors are shown in the next step.</p>
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Multiple Distinctions of Merit Decisional Rule	<p>The second decisional rule uses <b>Multiple Distinctions of Merit</b>. Instead of just deciding if the offer meets only a minimum standard of acceptability, extra credit may be given for exceeding the minimum standard. This is characterized by “best value” source selection. Award is made to the offer which represents the best value, considering both price and merit.</p>
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Distinctions of merit varies depending upon the situation. In some instances, a minimum acceptable level is not established. In some instances, merit distinctions are often restricted to an acceptable range of variation. The key to best value is looking at the relative merits of each proposal and not looking at a level of minimum acceptability.

Using this method, assessment criteria may be established to denote the measures of merit, or what qualities the Government is looking for in the proposal.

When multiple assessment criteria are used with multiple factors or subfactors, an evaluation matrix helps to track and explain the results in an easily understandable fashion.

For example, consider classroom test results: A, B, and C. A<sup>+</sup> is better than A, and A<sup>-</sup> is better than B. These varying scores are indicators of multiple distinctions of merit.

(continued on next page)

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### 3.10 Step 7—How to Determine Factors to be Evaluated by the Multiple Distinctions of Merit Decisional Rule (continued)

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“Assessment Criteria”	Whereas the evaluation factors and subfactors represent the subject matter to be evaluated (what the Government is looking for), the assessment criteria denote the qualities the Government is looking for in the proposal. These qualities may be areas of consideration common to more than one evaluation factor. Examples of assessment criteria are soundness of approach, compliance with requirements, excellence in design, and understanding of the requirement.
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Risk Assessment	<p>Risk is often used as an assessment criterion. Risk assessments are usually discussed separately in the evaluation narratives accompanying the factor rating. They can be included in determining the rating for the factor or treated separately.</p> <p>Two of the most common risk assessment criteria are Past Performance and Cost/Price Realism.</p> <ol style="list-style-type: none"> <li>(1) <b>Past performance</b> relates directly to the credibility of the offeror and to the performance risk involved.</li> <li>(2) <b>Cost/Price realism</b> relates the proposed cost/price to the level of effort required by the proposal as a means of evaluating the offeror’s ability to perform the contract at the offered price.</li> </ol>
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Past Performance	Past performance must always be included in a source selection valued over \$100,000. It can be a Go/No-Go factor or used to determine distinctions of merit.
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Past performance can also include on-going work.

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(continued on next page)



### 3.10 Step 7—How to Determine Factors to be Evaluated by the Multiple Distinctions of Merit Decisional Rule (continued)

Evaluation  
Criteria Matrix

The following is an example of an evaluation criteria matrix with assessment criteria.

MEASURES OF MERIT (ASSESSMENT CRITERIA)	FACTOR		
	SUBFACTOR		SUBFACTOR
	ELEMENT 1	ELEMENT 2	
Soundness of Approach	Standard	Standard	
Understanding of Requirement	Standard	Standard	
Compliance with Requirement	Standard	Standard	
Other	Standard	Standard	

(continued on next page)

### 3.10 Step 7—How to Determine Factors to be Evaluated by the Multiple Distinctions of Merit Decisional Rule (continued)

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#### Establish Standards

An offeror's merit under the evaluation factor is evaluated against predetermined standards.

The use of standards accomplishes two goals:

- (1) it minimizes bias which can result from the direct comparison of offers, and
  - (2) it ensures that the evaluators know what they want in terms of technical merit.
- 

#### Rating/Scoring Methods

The rating/scoring description is the method by which evaluation factors relate to corresponding standards.

There are three types of rating/scoring methods in common use:

- (1) Adjectival
  - (2) Color Coding
  - (3) Numerical
- 

(continued on next page)

### 3.10 Step 7—How to Determine Factors to be Evaluated by the Multiple Distinctions of Merit Decisional Rule (continued)

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Method 1: Adjective Rating	The use of <i>adjective ratings</i> may be useful when it is sufficient to place the offers into general categories. This scoring method requires the evaluators to apply an adjective rating to each factor for each proposal. Examples of adjective ratings are: “Exceptional,” “Acceptable,” “Marginal,” and “Unacceptable.”
Method 2: Color Coding	One variation on adjective ratings for factors is to use <i>color codes</i> . In this system, a different color is assigned to each adjective rating.
Method 3 Numerical Scores	<p>This scoring method requires that a numerical point total be applied to each factor for each proposal. For example, if a factor such as “Quality Control Plan” is assigned a value of 10 points, then each proposal <b>MUST</b> be rated on this factor from zero to ten points.</p> <p>Remember, if a factor contains subfactors, <i>then the total points of the subfactors must NOT exceed the total points assigned to the factor</i>. For example assume there is a factor called “Quality Control Plan” which is assigned a maximum of ten points. It consists of two subfactors: “Waste Reduction Procedures,” and “Inspections Process.” The total for these two factors cannot exceed ten points.</p> <p>Normally, the total of all the points assigned to all factors and subfactors will not be greater than 100.</p>

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### 3.10 Step 7—How to Determine Factors to Be Evaluated by the Multiple Distinctions of Merit Decisional Rule (continued)

Rating/Scoring  
Methods  
Compared

The following table shows in descending order the colors and ratings and the definition of that rating. The most restrictive method is the numerical scoring method. However, it is shown in the following table for you to compare the various methods. The chart does NOT convey that numerical scores are determined when color or adjective methods are used. These examples are listed in descending order of merit.

NUMERICAL	COLOR	ADJECTIVE	DEFINITION
90 - 100	Blue	Exceptional	Exceeds specified performance or capability in a beneficial way to the agency and has high probability of satisfying the requirement; has no significant weakness.
70 - 90	Green	Acceptable	Meets evaluation standards; has good probability of satisfying the requirement; any weaknesses can be readily corrected.
60 - 70	Yellow	Marginal	Fails to meet evaluation standards; has low probability of satisfying the requirement; has significant deficiencies.
0 - 60	Red	Unacceptable	Fails to meet a minimum requirement; deficiency requires a major revision to the proposal to make it correct.

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### 3.10 Step 7—How to Determine Factors to be Evaluated by the Multiple Distinctions of Merit Decisional Rule (continued)

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#### Flexibility in Rating/Scoring Methods

The most successful rating/scoring methods are those which allow the maximum flexibility in making the tradeoffs among the evaluation factors.

Numerical systems present the most problems in this areas. The combination of numerical scoring for factors and set percentage weights for each factor will result in a total score for all technical factors, presenting the Source Evaluation Board with little flexibility to make tradeoffs. Tradeoffs are much easier to make if the factors cannot be combined, either by using only a relative importance for factors or by not using a numerical score at the factor level, or both. Numerical ratings should never be applied to price.

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#### Rating Standards and Rating/Scoring Methods

There are several different ways to relate standards to rating/scoring methods:

- Develop a standard for each rating.
  - Omit the standard for every other rating—the omitted ratings can be defined as: “exceeds the standard for acceptable but does not meet the standard for exceptional.”
  - Define a single standard at the lowest subfactor level and rate these subfactors as “meets/does not meet/exceeds the standard.” These ratings can be rolled up into the more numerous rating descriptions at the higher factor level.
- 

(continued on next page)

### 3.10 Step 7—How to Determine Factors to be Evaluated by the Multiple Distinctions of Merit Decisional Rule (continued)

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Deciding  
which  
Rating/Scoring  
Method to Use

The decision on which method to use will be affected by several considerations:

- (1) The use of a single standard is more appropriate where factors are broken down into more specific subfactors. The use of a single standard for an entire factor does not allow as much discrimination between offers since only three levels are available (meets, does not meet, or exceeds). The rating of a factor to exceed the standard can represent an enormous range of merit.
- (2) There may be operating efficiencies involved. Multiple standards require a greater number of more specific definitions to be constructed during development of the source selection plan. Once these standards are constructed, however, they allow for less documentation during the evaluation of offers.

Where a single standard is used, the justification for a rating which exceeds or does not meet the standard must be accomplished on a case-by-case basis for each offer.

- (3) Multiple standards tend to be more specific. The more specific the standards, the more assurance you have that the people who are developing the standards have adequately deliberated on exactly what they are looking for from the offerors.

It is perfectly acceptable to combine two or more types of rating/scoring methods in the same procurement.

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### 3.11 Step 8—How to Determine Factors to be Evaluated By the Go/No-Go Decisional Rule

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General	You may wish to use one or more “Go/No-Go” technical evaluation factors to determine acceptability.
“Go/No Go” Factors	In this step you will learn how to determine Go/No-Go factors. Some evaluation factors for acceptability are sometimes called Go/No-Go factors. Go/No-Go factors can be applied to either technical or business proposals. The application of this decisional rule does not allow for additional value to be applied to the factor being evaluated. That means that the factor is either present (Go) or absent (No-Go). If the procurement contains a Go/No-Go factor, a “No-Go” rating can remove an offeror from further consideration.
Example	<p>For example, some acquisitions may require that the contractor store and safeguard classified Government information. In such a case, a very important technical evaluation factor (Go/No-Go) may be the offeror’s ability to store classified documents in a storage facility which meets Government standards and is staffed by personnel with Government security clearances.</p> <p>The offeror would typically provide evidence of such capability. An offeror who did NOT provide evidence of such a capability would receive a “No-Go” rating and be eliminated from further consideration.</p>

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(topic continued on next page)

### 3.11 Step 8—How to Determine Factors to be Evaluated By the Go/No-Go Decisional Rule (continued)

Example  
(continued)

*Note that Cost or Price is NEVER a Go/No-Go factor in source selection.*

EXAMPLES OF FACTORS EVALUATED BY GO/NO-GO	
Factor	Standard
Security of Documents	Evidence of a classified document storage area that complies with a Government standard
Quality Control	Evidence of compliance with TQM standard Z1.8
Experience in a Specific Manufacturing Process	Evidence of compliance with the industrial standards for that process (i.e., chemical, electrical, etc.)
Experience in Hazardous Waste Disposal	Evidence of an approved training and certification program for employees handling hazardous waste.

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### 3.11 Step 8—How to Determine Factors to be Evaluated By the Go/No-Go Decisional Rule (continued)

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#### Standards of Responsibility

Go/No-Go Factors are sometimes confused with standards of responsibility especially when special standards of responsibility are used. As a Contract Specialist you are responsible for distinguishing between the two.

#### FAR 9.103

In any acquisition, it is expected that the offeror meet a ***standard of responsibility***. That is, the successful offeror must convince the Government that it has the human, technical and financial resources to provide the required supplies or services. The standard of responsibility measures whether, or how well, the offeror is able to provide the supplies or services. The FAR requires a determination of responsibility.

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#### Special Standards of Responsibility

However, in some acquisitions there is a *higher than usual risk* that the Government will not obtain the supplies or services under favorable circumstances. When this higher risk occurs, the Government may require that the offeror meet ***special standards of responsibility***.

These special standards of responsibility are intended to ensure that the **apparent successful offeror** can provide the supplies or services. If you determine that the acquisition requires a special standard of responsibility, you **MUST** state it in the RFP.

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### 3.11 Step 8—How to Determine Factors to be Evaluated By the Go/No-Go Decisional Rule (continued)

Determinations  
of  
Responsibility  
vs. Rating  
/Scoring of  
Evaluation  
Factors

Standards of responsibility and special standards of responsibility are considered in determining whether the apparent successful offeror is responsible. They are not used as evaluation factors. Evaluation factors are used to distinguish an offeror's acceptability in comparison to a standard. The offeror meets the standard and is acceptable for Go/No-Go factors or the offeror meets or exceeds or, in some instances, fails to meet the standard in a particular area (distinctions of merit).

Caution must be exercised by you the Contract Specialist when small businesses are determined unacceptable for an evaluation factor(s) or lack enough merit to be included in the competitive range. If the factor(s) is a Go/No-Go factor the offeror should NOT be found unacceptable for further consideration without a Small Business Determination for responsibility. If the factor(s) is one where distinctions of merit are rated or scored and the offeror is determined to be excluded from the competitive range, you must be careful to document that the offer has been determined to not be included in the competitive range based on its comparative assessment with those offers that are determined to be within the competitive range.

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### 3.11 Step 8—How to Determine Factors to be Evaluated By the Go/No-Go Decisional Rule (continued)

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Examples of  
Go/No Go  
Factors and  
Special  
Standards of  
Responsibility

Depending on the nature of the procurement, the following Go/No-Go factors may be considered to be Standards of Responsibility or Special Standards of Responsibility. In some complex procurements, these may be factors in the overall Technical or Business Proposal. Remember that this is only a partial list. Factors depend on the nature of the procurement and the guidance from the SSA. Use caution when these factors are used to evaluate small businesses.

- **Capacity** - evidence of a certain capacity to provide products or services above a certain level (if high volume of production or service is a major concern).
- **Configuration management** - evidence of a certain program application (if a complex, large scale design is required).
- **Cost accounting procedures** - an existing program of certain specified procedures for tracking costs (if rigid cost control is a concern, as in a cost plus fixed fee contract).
- **Innovation** - technical proof, such as access to critical licenses or patents (if the project requires a new technology or methodology approach).
- **Key personnel** - the existence of a list of key personnel already “on board” (especially if highly qualified personnel in a particular specialty are crucial to an early start and project success).
- **Labor relations and training** - demonstrated evidence (such as a project in a labor surplus area).
- **Quality Control (QC)** - an in-place program of QC measures, such as statistical sampling of volume output (if very high or very consistent quality is a major concern in reducing risk).
- **Safety and accident prevention** - an existing, documented program (if the project involves dangerous new technology or exposure to serious physical, chemical or biological hazards, such as radiation or fire).
- **Security** - especially if any part of the project is classified or if the security of expensive government-furnished equipment is in question.

*The use of “Go/No-Go” factors can be part of either a “lowest price technically acceptable proposal” approach or a “best value” approach.*

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### 3.12 Step 9—Prepare for Discussions with the Requiring Activity and Reach Agreement with Requiring Activity

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**Introduction** This section describes the procedures you follow to reach agreement with the requiring activity on the evaluation factors to be included in the solicitation.

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**Purpose of Discussions** The purpose of these discussions will be to reach agreement that the evaluation factors proposed for this acquisition are valid and reliable and will achieve the purpose of identifying the offer that will best satisfy the Government's needs. In some cases, the requiring activity will have done a good job preparing the acquisition plan and the evaluation factors and you will have no recommended changes to the evaluation factors.

In other cases, you may conclude that the proposed evaluation factors and standards which are used to measure the factors are not valid or reliable and must be changed. When this happens, you must provide specific recommendations for improvement. Consider whether the evaluation factors were clear, reliable, valid and independent of one another. Are they consistent with the SOW and/or specification? Are there standards to measure merit?

---

**Summary Outline** Before you meet with the representatives of the requiring activity, you should take the time to prepare a written ***summary outline***. This outline must summarize *all the strengths and weaknesses* of the proposed evaluation factors. It should also contain a list of the *questions which you still need to clarify*, and *an analysis of each factor*. See an example of a summary outline on the next page.

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(continued on next page)

### 3.12 Step 9—Prepare for Discussions with the Requiring Activity and Reach Agreement with Requiring Activity

(continued)

(Example of a)

#### SUMMARY OUTLINE

**Solicitation No. or Identification No.** DTFH 21-94-R-0019

**Description:** Investigative Services

**Remarks:** Based on review of the proposed evaluation factors for this solicitation, we have concluded that:

1. Factor 1—"Technical Approach," including Risk Analysis, appears to be valid, is thoroughly documented and appropriately weighted (60% of total weight).

2. Factor 2—"Key Personnel," appears to be valid and is also thoroughly documented. However, this proposed factor is weighted at 35% of the total weight. That leaves a total of only 5% of the total weight for the remaining technical factor, "Corporate Experience."

3. Based on the market research concerning seven similar procurements over the past two years among Government agencies, we have concluded that Corporate Experience and past performance should receive a greater proportional weight in the total evaluation. Of the seven procurements we researched, six experienced considerable difficulties after award. It appears that part of these difficulties may have resulted from award to relatively inexperienced, but low cost, offerors who did not have a sufficient "track record" in conducting investigative operations in accordance with the requiring activities' requirements and regulations. To guard against that possibility in this acquisition, we strongly recommend that a greater proportional weight be assigned to the third factor, Corporate Experience. This will require reduction in the second factor. The panel, therefore, recommended that the factors be weighted as follows:

- Technical Approach = 60%
- Key Personnel = 20%
- Corporate Experience = 20%

*Joan Sherlock  
January 3, 1994*

*Concurrence for all Panel Members*

### 3.12 Step 9—Prepare for Discussions with the Requiring Activity and Reach Agreement with Requiring Activity

(continued)

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Reach  
Agreement  
with Requiring  
Activity

There should be agreement that the evaluation factors are appropriate to the acquisition, agree with guidance from the SSA, are valid and reliable, and have the right relationship to one another. If there is no agreement, you may have to refine the evaluation factors until agreement is possible. This may require several meetings to achieve. You should use the summary outline as the basis for your discussions and agreement with the requiring activity. It is NOT enough to point out weaknesses in the evaluation factors. *You should also point out recommended improvements, complete with rationale.* Be tactful, but thorough.

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Document  
Agreement

Once agreement has been reached, prepare a memo to document the results. Make sure that you incorporate any agreed-upon changes in to the evaluation factors and the Source Selection Plan. Provide one copy of the memo to the requiring activity.

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### 3.13 Step 10—Incorporate Technical/Business Factors in the Solicitation

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**Introduction** This section discusses the procedures you will follow to incorporate the evaluation factors into the solicitation. *Remember, you can perform this task only after there is agreement with the requiring activity as to the exact evaluation factors and standards to be used, and after the SSA approves your rationale in the Source Selection Plan.* This is usually done after a special briefing of the SSP is presented to the Source Selection Authority and other key personnel.

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**FAR 15.605(e)** Recall that FAR 15.605(e) requires you to clearly state the evaluation factors and any significant subfactors that will be considered in making the source selection. You **MUST** list all evaluation factors, including price or cost and any significant subfactors in Section M of the RFP.

---

**Evaluation Matrix** Once you have determined all the evaluation factors (technical/business and cost), and reached an agreement with the requiring activity on the evaluation factors to be used, you can create an ***evaluation matrix***.

An evaluation matrix is a useful chart which helps you in developing the solicitation by cross referencing the evaluation factors against subfactors and elements. The evaluation matrix lists the evaluation areas and the supporting factors in a column down the left side of a page.

The following table is an example of an evaluation matrix.

EXAMPLE OF EVALUATION MATRIX				
AREA	FACTORS	SUBFACTORS	ELEMENTS	SCORE
Cost				
Technical Capability	• Understanding Requirement	• Production	• Production Plan • Waste Mgmt Plan	
	• Quality Control	• Inspection	• Pollution Control • Stoppage Control	
		• Acceptance Testing	• Statistical Monitoring • User Testing	
Business Management	• Overall Mgmt	• Site Location	• Time to Relocate • Total Sites	
		• Mgmt Reports	• Time/Materials Reports • Process Reports	

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### 3.13 Step 10—Incorporate Technical/Business Factors in the Solicitation (continued)

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Goal	The goal of this step is to propose submission instructions for the factors that are complete and thorough, but NOT overly long, complex or restrictive. The instructions should make the offerors' writing task less of a chore, and they should also make it as easy as possible for the evaluators to apply the evaluation factors.
Scope	<p>The scope of the submission instructions varies, but most agencies have a "standard" or preferred format which is familiar to contracting officers and evaluators in that activity. The most common items which you will prescribe in the submission instructions include:</p> <ul style="list-style-type: none"> <li>• Number of volumes. There are almost always at least two volumes (technical and cost). However, on many complex acquisitions, you may request four separate volumes (Technical, Business, Cost, and Executive Summary).</li> <li>• Front Matter. The front matter is all the material which is required to accompany each volume. This includes the cover, title page, table of contents, lists of figures and tables, glossaries, and compliance or cross-check matrices.</li> <li>• Font and typesetting.</li> <li>• Spacing (usually one-and-one-half or two spaces between lines).</li> <li>• Other layout instructions (such as use of margins).</li> </ul>
Completeness	Make sure the instructions are <i>complete</i> in describing the evaluation factors and subfactors to be used. Each factor and subfactor must be fully explained. Further, remember that the relationship of the factors to each other (relative importance) must also be explained. Normally, the factors are explained in <i>descending order of importance</i> . When one or more factors is considered more relevant than others, the factor should be disclosed as having a greater importance.

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### 3.13 Step 10—Incorporate Technical/Business Factors in the Solicitation (continued)

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Page Limits	<p>In order to simplify the preparation of the proposals and to make the evaluation easier, you may wish to consider a <i>limit on the number of pages and foldouts</i>. Sometimes, technical and business proposals are very difficult to evaluate because of their great size and bulk. Much of this bulk can be caused by repetition.</p> <p>One way to reduce this problem is to impose a limit on the number of total pages or on the foldouts to be submitted. Experience has shown that, even in complex acquisitions, the winning offeror was able to adequately describe the technical or business approach in 50 pages. Be sure that you use a reasonable limit. Typically, the limit is either 50 or 100 pages. Be sure that the technical personnel concur that the technical and business approaches can be adequately explained within the limit you establish.</p>
Other Instructions	<p>Typically, the proposal submission instructions will also contain clear statements about the preferred front matter, font, spacing and page layout to be followed in proposal submission. This is usually done to force a certain uniformity of appearance on all the proposals, so the evaluators will NOT be unduly influenced by a “flashy” layout. Be careful NOT to include any unnecessary restrictions, such as a ban on use of color in complicated charts and graphics. Unless the ban is necessary, allow the offeror as much leeway as possible.</p> <p>Remember, if you place limits on the initial submission, you should also limit any subsequent submissions.</p>

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### 3.13 Step 10—Incorporate Technical/Business Factors in the Solicitation (continued)

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#### Changing Factors After Solicitation

Sometimes, in spite of your best efforts, you will find that it becomes necessary to change the evaluation factors after the solicitation has gone out and the offerors' proposals have been received. *This is not unallowable, but it is strongly discouraged.* This practice causes offerors to lose faith in the integrity of source selection.

Once you have incorporated all the evaluation factors into the Source Selection Plan and the solicitation, you are ready to apply the evaluation factors against the proposals submitted by the offerors. The Source Selection Evaluation Board will apply the evaluation factors during the evaluation of offerors' proposals. Evaluation is discussed in the next chapter.

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## **SUMMARY**

In this chapter, you have studied how to develop evaluation factors:

- using the SOW in developing evaluation factors,
- researching evaluation factors used in comparable procurements,
- drafting technical/business factors for evaluating proposals,
- critiquing technical/business factors for evaluating proposals,
- determining whether to award on “lowest price technically acceptable proposal” or “best value”,
- determining the relative importance of cost/price and technical/business factors,
- determining factors to be evaluated by the multiple distinctions of merit decisional rule,
- determining factors to be evaluated by the Go/No-Go decisional rule,
- preparing for discussions with the requiring activity and reaching agreement with the requiring activity,
- incorporating technical/business factors in the solicitation.

# CHAPTER 4

## TECHNICAL EVALUATION

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### Chapter Vignette

*After John had read the source selection plan completely, he was somewhat puzzled about why he would be needed to assist technical experts on the Source Selection Evaluation Board. Why weren't they just given a plan like this one to read and get on with the business of selecting an offeror. He asked Marcia the same question. "Well," she said, "it is not that simple. Even an excellent plan, like the one you reviewed, must be applied in a consistent manner. The actions of the board members must be valid, meet all the regulatory requirements, provide a complete audit trail and furnish defensible recommendations which will stand up to legal challenges. That is not always easy. Remember that the technical persons applying the evaluation factors are not necessarily experts in the acquisition process. Your job will be to assist the contracting officer in making sure that the evaluation process follows the plan."*

## Course Learning Objectives

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### In this Chapter

At the end of this chapter, you will be able to:

1. Instruct technical evaluators.
  2. Analyze technical evaluation reports, and based on that analysis, determine the need (if any) to:
    - Continue fact finding
    - Contact the technical evaluators for follow-up questions on reports
    - Accept the report
    - Amend or cancel the RFP
    - Continue with the acquisition
  3. Brief the Source Selection Evaluation Board (SSEB) on Procedures for reviewing and analyzing technical proposals
  4. Obtain and critique SSEB recommendations.
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## Chapter Overview

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### Scope

This chapter presents the procedures you the Contract Specialist or Contracting Officer **MUST** follow to instruct the technical evaluators, analyze their reports, and determine necessary follow up actions. Recall that awards are based either on “lowest price technically acceptable proposal” or “best value.” But, even if the award will be made on the basis of “lowest price technically acceptable proposal,” you must still instruct the technical evaluators, analyze their technical report and take certain actions, based on your analysis. For purposes of this chapter, you will learn the steps necessary for evaluating a “best value” source selection.

After your analysis of the technical report, you may determine that it is necessary to perform one of the following:

- continue fact finding
- ask for added information
- accept the report
- amend or cancel the RFP, or
- continue with the acquisition

If you accept the findings of the technical evaluators, you will continue to the next steps that may occur in a “best value” source selection:

- briefing and instructing the SSEB
- reviewing the SSEB recommendations

### Topics in This Chapter

This chapter includes the following topics:

SECT	TITLE	PAGE
4.1	Instruct Technical Evaluation Team (TET)	4-5
4.2	Sample Forms for TET	4-10
4.3	Obtain and Review Technical Report	4-18
4.4	Brief Source Selection Evaluation Board (SSEB)	4-22
4.5	Review Source Selection Board’s Recommendations	4-28

(continued on next page)

## **Chapter Overview** (continued)

Chapter Flowchart	The following flowchart shows the sequence of the major tasks in a “best value” source selection. These tasks will be discussed in this chapter.
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## 4.1 Instruct Technical Evaluators

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### Introduction

This section discusses the procedures you will follow to instruct the technical evaluators who evaluate the proposals submitted by the various offerors. The chairperson of the Source Selection Evaluation Board, or the Contracting Officer advising the board, and in some instances, the Contract Specialist, is responsible to provide specific instructions to the technical evaluators. You **MUST** provide instructions to the technical evaluators, even when the award will be made on the basis of “lowest price technically acceptable proposal.”

If the award will be made on the basis of “best value,” you must provide a formal briefing to the source selection panel. That briefing is discussed in another section in this chapter. (See Section 4.4)

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### When to Instruct the Technical Evaluators

You must provide instructions to the technical evaluators *before* they are permitted to see the offerors’ technical or business proposals. Keep in mind that the technical evaluators who evaluate proposals may or may not be the same as those involved in the acquisition planning and solicitation phases.

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## 4.1 Instruct Technical Evaluators (continued)

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Format of the Instructions	The instructions to the <b>Technical Evaluating Team (TET)</b> are formal and written. A copy is provided to each evaluator. In addition to the written instructions, you may provide a short oral briefing to the team members and be prepared to answer any questions they may have.
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Content	<p>The content of the instructions will depend on the nature of the solicitation, but there are certain instructions which should be included in any case. These include:</p> <ul style="list-style-type: none"><li>• Clear and complete guidelines for evaluating the technical and business proposals.</li><li>• A statement of all the responsibilities of the evaluators, including responsibility for safeguarding data from unauthorized disclosure.</li><li>• A requirement for the evaluators to factually support their determinations and conclusions.</li><li>• A statement that any findings on technical acceptability or merit must be based solely on provisions and clauses of the RFP.</li><li>• Supply the Evaluators with the forms to be used in the evaluation. (Note: the actual forms to be used for technical evaluation will vary by Government agency. Samples of several evaluation formats are provided in this chapter. Realize that you may have to provide time for the evaluators to be trained on the various forms.)</li><li>• A reminder to have Procurement Integrity Certificates and nondisclosure forms for the acquisition on record.</li></ul>
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A brief example of instructions is shown on the next page.

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(continued on next page)

## 4.1 Instruct Technical Evaluators (continued)

Sample Instructions      The following is a brief example of instructions to the technical evaluators.

### INSTRUCTIONS TO TECHNICAL EVALUATORS

#### Goal of This Technical Evaluation

The goal of this technical evaluation process is to determine the offer(s) which is most favorable to the Government. This will be done by providing the SSA the maximum flexibility to make a selection based on a complete and documented technical evaluation.

#### Guidelines for Evaluating Proposals

1. Each technical evaluator will read each technical/business proposal separately and completely.
2. Each evaluator will apply the evaluation factors, subfactors, and elements only against the established standards.
3. Each proposal will be evaluated only against the evaluation criteria. *Proposals will NOT be evaluated against one another.*
4. If there are any clarifications, the technical evaluators will re-read all proposals and reapply the technical evaluation criteria to all proposals. If discussions are held, each evaluator will read each BAFO and reapply the technical evaluation criteria to each BAFO.
5. The cost proposal, and other cost data, such as the Government "should cost" estimates will NOT be provided to the evaluators. This is done to preclude development of bias for or against an offer on non-technical grounds. It permits the evaluators to evaluate the proposals strictly on their knowledge of the technical or business aspects.
6. Any findings on technical acceptability or merit must be based solely on provisions and clauses of the RFP. Factually support any determinations and conclusions.
7. All evaluations will be recorded only on the worksheets and forms provided for that purpose.
8. Each evaluator is personally responsible for safeguarding the information in the offerors' proposals. The information in the proposals will NOT be given to anyone outside the Source Selection Evaluation Board. All proposals will be handled in accordance with the markings thereon.
9. The technical evaluation team will provide a technical evaluation report to the CO or SSEB at the conclusion of the evaluation. The report will include, at a minimum:
  - determinations and conclusions, including the acceptability of each proposal.
  - recommendations for further fact-finding (as appropriate)
  - any other recommendations or conclusions.
10. You are all reminded that you must have Procurement Integrity Certificates and nondisclosure forms on record for this acquisition.
11. The suspense date for delivery of the technical evaluation report to the Contracting Officer is January 14, 1994.

## 4.1 Instruct Technical Evaluators (continued)

### Sample Briefing for TET

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#### SAMPLE BRIEFING

Good Morning. My name is \_\_\_\_\_.  
I am the contracting officer for this acquisition. In addition, I will be the advisor to the Source Selection Evaluation Board.

1. I want to make sure that each of you on the TET fully understands the nature of this complex acquisition. As you already know, the purpose of this acquisition is to obtain a world-wide executive paging system for all members of the senior executive service, and other selected key persons, so they can be reached at any time. We anticipate a firm fixed price award based on best value to the Government. We are willing to pay more for better quality and more favorable conditions. Therefore, the technical evaluation will receive a greater weight than the price.
2. I must emphasize the need to give the Source Selection Authority, Mr. Jonathan Livingston, a sound basis in making the final source selection decision. You must provide findings, conclusions and determinations of acceptability or merit which clearly point out the differences among the offers. To do this, you **MUST** closely follow the evaluation instructions for the technical and business proposals and apply the evaluation factors uniformly and thoroughly document the evaluation results. This should produce a technical evaluation which points out the strengths and weaknesses of each offer and the differences and tradeoffs among all the offers.
3. Before you on the table are copies of the documents you will use in this evaluation. I know you were already trained during the past week on the use of these worksheets and scoring sheets. All your worksheets and score sheets will become part of the acquisition history file. You are therefore reminded **NOT** to destroy or throw away any of these documents. You are also reminded of the requirement to safeguard all documents connected with this acquisition. You will **NOT** take any of these out of this room. Your recorder will collect all your documents and papers at the end of each work day and secure them. You are also reminded **NOT** to discuss anything about this acquisition with anyone who is not a member of this board. You have been provided with the written instructions which govern security of documents in this agency.

(Briefing continued on next page)

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## 4.1 Instruct Technical Evaluators (continued)

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Sample  
Briefing  
for TET  
(continued)

4. I know you already understand the evaluation factors that will be used and the color code scoring system you will use for the evaluation. Samples are before you. Remember, you must apply the evaluation factors to each proposal. Be sure your evaluations are both valid and reliable. An evaluation is valid if it measures exactly what it claims to measure. An evaluation is reliable if the evaluators agree on approximately the same score for that evaluation. Do NOT compare or rate proposals against one another. Be sure that you specify the exact reasons for your evaluation of each factor and subfactor.
  5. Since this acquisition is technically complex, it may become necessary for you to do considerable research in order to understand some aspects of an offeror's proposal. If so, take the time to do so, but remember the milestones in this project. If you require outside expertise for assistance, let me know as soon as possible.
  6. If you do not understand some element of a technical proposal and you think that clarification or additional information is required, document the specific concern, so I can request clarification later, or raise the matter in discussions with the offeror.
  7. Remember that you MUST fully document all your concerns and questions. We MUST have full documentation to support the award decision and for debriefing the unsuccessful offerors and in case of any challenges.
  8. You MUST provide a technical evaluation report to me not later than January 19, 1994. The further actions in this acquisition will depend on my analysis of your report. Are there any questions?
-

## 4.2 Sample Forms

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Sample Forms	<p>The following sample forms are all internal documents and are similar to those commonly used by technical evaluators. They are self-explanatory, but if you have never used such forms, take several minutes to review them. These forms include:</p> <ul style="list-style-type: none"> <li>• <b>Clarification Request (CR)</b>—used to identify additional information that the CO may need from an offeror. Remember, only the CO can request information from an offeror.</li> <li>• <b>Inter-Area Information Transfer</b>—used to request transfer of information from one group of evaluators such as technical to cost.</li> <li>• <b>Strong/Weak Points</b>—may be used to explain the particular strong or weak points of any offer and is a “feeder” to the Deficiency Notice. Strong points exceed the minimum standard. Weak points do not meet the minimum standard.</li> <li>• <b>Deficiency Report</b>—identifies any deficiency which should be corrected by the offeror if discussions are held.</li> <li>• <b>Risk Assessment</b>—discusses level of risk.</li> <li>• <b>Evaluation Narrative</b>—provides evaluation in narrative format.</li> </ul>
Relationship of Forms	<p>You will note that these forms are intended to be used as a group, to provide an “audit trail,” and that they have a clear relationship to one another.</p>
Practice Using Forms	<p>If the evaluators have never used such forms, you must allow time for them to practice and understand the forms. The information entered on each form must be the consensus for all the evaluators and each evaluator must be willing to stand behind that information.</p>

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(continued on next page)

The next six pages show examples of the following Sample Forms:

- Clarification Request
- Inter-Area Information Transfer
- Strong/Weak Points
- Deficiency Report
- Risk Assessment
- Evaluation Narrative

**Document prepared by a technical evaluator for analysis by the CO or SSEB**

S A M P L E F O R M

<b>CLARIFICATION REQUEST (CR)</b>			
OFFEROR _____	FACTOR _____		
EVALUATOR _____	SUBFACTOR _____		
DATE _____	ELEMENT _____		
RFP REFERENCE _____	PROPOSAL REFERENCE _____		
PREPARE FOR INFORMATION REQUIRED TO FAIRLY EVALUATE THE PROPOSAL. IS SUBSTANTIATION DATA REQUIRED? WHAT IS MISSING THAT WOULD CLARIFY PROPOSAL ELEMENTS? HOW SHOULD CR BE WORDED FOR SUBMISSION TO OFFEROR?			
DISPOSITION: APPROVED <input type="checkbox"/> DISAPPROVED <input type="checkbox"/>	CHAIRMAN	DATE	CONTROL NUMBER

INTER-AREA INFORMATION TRANSFER				
FROM		TO		
<input type="checkbox"/> TECHNICAL AREA		<input type="checkbox"/> TECHNICAL AREA		
<input type="checkbox"/> MANAGEMENT AREA		<input type="checkbox"/> MANAGEMENT AREA		
<input type="checkbox"/> COST AREA		<input type="checkbox"/> COST AREA		
DATE: _____		SUSPENSE DATE: _____		
OFFEROR: _____				
<input type="checkbox"/> REQUEST THE INFORMATION LISTED BELOW				
<input type="checkbox"/> INFORMATION LISTED BELOW MAY BE OF BENEFIT				
ADD A SHORT EXPLANATION WHY INFORMATION IS REQUESTED. SPECIFY CALENDAR DATE FOR SUSPENSE AND NOT "ASAP." AREA CHIEF ACCEPTING REQUEST HEREBY AGREES TO THE SUSPENSE DATE SPECIFIED.				
SUBMITTED BY:	AREA CHIEF:	RECEIVED BY:	AREA CHIEF:	SSEB CHAIRMAN/CO

SAMPLE FORM



**STRONG/WEAK POINTS**

PAGE \_\_\_\_ OF \_\_\_\_

OFFEROR \_\_\_\_\_ FACTOR \_\_\_\_\_  
 EVALUATOR \_\_\_\_\_ SUBFACTOR \_\_\_\_\_  
 DATE \_\_\_\_\_ ELEMENT \_\_\_\_\_

STRONG POINTS

WEAK POINTS

THIS FORM MUST BE ACCOMPANIED BY EVALUATION NARRATIVE FORM.  
 IDENTIFY APPLICABLE CRITERIA.

**STRONG POINT LEGEND**

\* MERIT ABOVE MINIMUM STANDARDS  
 \*\* SIGNIFICANT MERIT  
 \*\*\* OUTSTANDING MERIT

**WEAK POINT LEGEND**

\* CORRECTABLE DEFICIENCY-SMALL IMPACT  
 \*\* SIGNIFICANT DEFICIENCY BUT CORRECTABLE  
 \*\*\* SERIOUS DEFICIENCY-DIFFICULT TO CORRECT

## Source Selection

### RISK ASSESSMENT

OFFEROR: \_\_\_\_\_ DEFICIENCY NOTICE NO.: \_\_\_\_\_

SOW TASK NO.: \_\_\_\_\_ TASK TITLE: \_\_\_\_\_

RISK ASSESSMENT: ☐ HIGH ☐ MED ☐ LOW ☐ NONE

IDENTIFY PROBLEM AREAS

- ☐ TECHNICAL PROPOSALS/SCHEDULE NOT COMPATIBLE WITH SOW
- ☐ MANLOADING & SPREADS NOT COMMENSURATE WITH EFFORT
- ☐ MISSING PROGRAM TASKS/HARDWARE
- ☐ MATERIAL QUANTITIES, NUMBER OF TRIPS, COMPUTER HOURS NOT COMMENSURATE WITH EFFORT.
- ☐ OTHER (DESCRIBE)

ADDITIONAL/NARRATIVE: (USE ADDITIONAL SHEETS, AS REQUIRED):

OFFEROR: \_\_\_\_\_ DEFICIENCY NOTICE NO.: \_\_\_\_\_

SOW TASK NO.: \_\_\_\_\_ TASK TITLE: \_\_\_\_\_

OFFEROR _____	FACTOR _____
EVALUATOR _____	SUBFACTOR _____
DATE _____	ELEMENT _____

1. THIS FORM MUST ACCOMPANY STRONG/WEAK POINT DETERMINATION.
2. DISCUSS STRONG AND WEAK POINTS. JUSTIFY WHY EACH POINT IS STRONG OR WEAK AND WHY THE PARTICULAR STAR RATING WAS ASSIGNED. IDENTIFY APPLICABLE CRITERIA..
3. PROVIDE OVERALL ASSESSMENT ON TOPIC BEING EVALUATED IN LIGHT OF THE STRONG/WEAK POINTS.

### 4.3 Obtain and Review Technical Report

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Introduction	<p>This section discusses the actions you will take and the procedures you will follow to review the technical evaluation report prepared by the technical evaluators who review the various proposals submitted by offerors.</p>
Suspenses and Milestones	<p>The Source Selection Plan sets a suspense date for the delivery of the technical evaluation report by the technical evaluation team. The timely completion of the acquisition depends on the timely completion of this report, because it may lead to any one of a number of alternative actions by the CO.</p>
Purposes of Technical Evaluation	<p>The evaluators on the technical evaluation team (TET) are required to apply the evaluation factors in a uniform and detailed manner, to determine whether the various technical/business proposals meet the technical standards established earlier. This technical evaluation accomplishes several purposes:</p> <ul style="list-style-type: none"><li>• First, it identifies those offers which clearly DO NOT meet the Government’s minimum technical or business requirements and which should be eliminated from further consideration.</li><li>• Second, it identifies those offers which DO meet the Government’s minimum technical or business requirements, either outright or with some corrections.</li><li>• Third, it identifies deficiencies and problems in the Government’s solicitation, not identified earlier, during the pre-solicitation phase.</li><li>• Fourth, it identifies the clarifications and deficiencies in the proposals.</li></ul> <p>The <b><i>technical evaluation report</i></b> is the document which records this information for review by the contracting officer, SSEB, or SSA.</p>

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(continued on next page)

### 4.3 Obtain and Review Technical Report (continued)

Analysis of the  
Technical  
Evaluation  
Report

**Per Instructions.** Read the report carefully to be sure that the technical evaluation was done in accordance with the instructions to the technical evaluators. During your analysis of the technical evaluation report, you must constantly look for inconsistencies

**Technical Acceptability or Merit.** Check to see that the findings of technical acceptability or merit are based solely on the provisions and clauses of the RFP. Make sure that each finding or conclusion is fully supported by facts. Check for ambiguous language that is subject to different meanings and different interpretations.

**Unacceptability.** Be particularly watchful about any finding of unacceptability. Any finding that an offer is “unacceptable” **MUST** be fully supported by the facts and rationale. You will probably need solid information to refute any claim or complaint from an “unacceptable” offeror later.

Revising the  
Technical  
Report

After your analysis, you may conclude that the findings or conclusions are NOT fully supported or are NOT well explained. If so, you may require one or more revisions to the technical evaluation report, until it meets your objections. In any case, do NOT proceed until you are confident that you fully understand and stand behind the findings and conclusions in the technical evaluation report.

Alternative  
Actions

Based on the analysis of the technical evaluation report, you may decide that there is a need for one or more of the following actions.

1. **Continue Fact-Finding.** Your analysis may lead to the conclusion that you do not have enough information upon which to make a confident recommendation. You may therefore conclude that it is necessary to *continue fact finding*. This may include further market research and further technical research by the technical evaluation team, especially if the solicitation is technically complex.

(topic continued on next page)

### 4.3 Obtain and Review Technical Report (continued)

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Alternative  
Actions  
(continued)

2. **Require Follow-up Questions or Reports.** If the technical evaluation report does NOT answer all the CO's concerns about the acceptability of offers, it may be necessary to prepare *follow-up questions or request reports* from the TET in order to clarify certain points. You may also meet with the evaluation team to discuss points that are not clear.
3. **Accept the Report.** If your analysis shows the technical evaluation report has answered all the necessary questions and there is no need for cancellation, amendment or further fact-finding, you may decide to *accept the report* and *continue with the acquisition*.
4. **Amend or Cancel the RFP.** You may conclude that it is necessary to amend or cancel the RFP outright in the best interest of the Government. You may decide this is necessary because:
  - the Government *no longer needs* the supplies or services or no offeror can supply the supplies or services under favorable terms
  - the requirement, *as specified* will NOT meet the Government's minimum requirement
  - technology has progressed so rapidly that the specifications are obsolete.
  - all the proposals are unacceptable.
  - the technical evaluation identifies a defect(s) in the solicitation necessitating an amendment to the RFP.
5. **Continue with the Acquisition.**

(topic continued on next page)

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### 4.3 Obtain and Review Technical Report (continued)

#### Summary

The following table summarizes the various follow-up actions or alternatives that may occur after your analysis of the technical evaluation report.

ALTERNATIVES FOLLOWING ANALYSIS OF TECHNICAL EVALUATION REPORT	
IF...	THEN...
There are unanswered questions and you do NOT have enough information	You may continue factfinding AND Submit questions to the Technical Evaluators
The technical evaluation report is complete, valid, and answers all questions	You may accept the report as final and prepare the Government's technical negotiation objectives AND Find proposals acceptable or unacceptable, as stated in the technical evaluation report
There is a change in the requirements, such as quantity, delivery date or other performance specification or design specification	You may amend the RFP
The requirement, as specified, will NOT meet the Government's minimum requirement OR Technology has progressed so rapidly that the specifications are obsolete	You may cancel the RFP
The Government no longer needs the supplies or services, OR None of the offerors can supply the supplies or services under favorable terms.	You may cancel the RFP.
<b>Note: These are only some of the alternate actions.</b>	



#### **4.4 Brief Source Selection Evaluation Board on Procedures for Reviewing and Analyzing the Technical Evaluation Report**

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Introduction	This section discusses the procedures you should follow to brief the Source Selection Evaluation Board on procedures for reviewing and analyzing the Technical Evaluation Report. This will be a formal briefing which you must prepare in advance. You must do this whenever the award will be based on “best value.” You <b>MUST</b> also be prepared to answer the questions which are likely to arise. If the evaluation will be very complex, you may wish to rehearse your briefing before you present it to the panel.
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Timing of the Briefing	You should schedule the briefing before the proposals are received, but after the SSEB has received any other training required to prepare them for their evaluation duties in a “best value” procurement.
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Contents of the Briefing	<p>The briefing given to the SSEB supplements the written instructions. However, it gives the board members a chance to ask questions about anything they do not fully understand.</p> <p>The content of the briefing will depend on the nature of the acquisition and the type of scoring system that was specified in the Source Selection Plan. However, there are certain key points that you should include in any such briefing. You can prepare a checklist like the following to make sure that you address each of the following key points:</p>
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(continued on next page)

## 4.4 Brief Source Selection Evaluation Board on Procedures for Reviewing and Analyzing the Technical Evaluation Report

(continued)

### Checklist for Briefing the SSEB

- 
- \_\_\_ 1. Begin by introducing yourself to the SSEB and explaining your role in the acquisition (whether CO, advisor to the board, or chairperson of the evaluation board).
  - \_\_\_ 2. Stress that each member of the SSEB must fully understand the nature of the acquisition, the acquisition strategy, and the type of contract you expect to award.
  - \_\_\_ 3. Stress the requirement to safeguard all papers and documents connected with the evaluation process. Explain the specific rules that will be followed to safeguard all documents. Emphasize that NO information on the acquisition will be provided to anyone outside the board.
  - \_\_\_ 4. Distribute the evaluation documents, such as scoring sheets and worksheets for this acquisition. Explain fully the evaluation criteria and scoring method(s), that will be used, such as color coding, point scale, narratives, etc. (Take the time to make sure all members understand the criteria and provide examples.)
  - \_\_\_ 5. Insist that the members apply the evaluation factors in a manner that is reliable and valid, and minimizes the variability among members. Explain the definitions of reliability and validity. Above all, this means that you evaluate the TET's report to ascertain that proposals were not evaluated against each other. The source selection plan will designate the official responsible for the comparative ranking of the offers. (For the example that follows, the SSEB does not prepare a comparative ranking. The SSEB presents only the ratings of the offers.)
  - \_\_\_ 6. Point out that it may be necessary for the board members to do considerable technical research in order to fully understand the details of the technical approaches that may be provided in the proposals. Explain that any elements which are NOT understood MUST be documented so that clarifications or added information can be required from the offerors.
  - \_\_\_ 7. Explain that the member must provide a trail of documentation which can be followed for debriefing the offerors and rebutting challenges and complaints and supports the basis for award.
  - \_\_\_ 8. Explain the requirement for the Technical Evaluation Report prepared by the SSEB. Explain the requirements and format of the report. Stress that all findings and conclusions in the report must be supported by facts. If possible, provide a copy of a report for reference. Explain the suspense date for the report.
- 

(continued on next page)

#### **4.4 Brief Source Selection Board on Procedures for Reviewing and Analyzing the Technical Evaluation Report** (continued)

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Difficulty of  
Rating  
Technical  
Proposals

On many complex acquisitions, there may be a large number of proposals to evaluate against a number of technical factors. When this is done, it may be difficult to interpret the results or easily identify the most favorable offer, especially when the technical differences between offers are small. This can make the task of final selection very difficult for the SSA in a “best value” solicitation.

In order to eliminate this problem, the SSEB may prepare a matrix which displays the overall technical ratings. In addition to the rating matrix, the SSEB should prepare an evaluation narrative or summary (ex. Page 4-17) for each offeror and/or factor.

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Preparation of  
a Rating  
Matrix

To make the process easier, the SSEB should report the rating of the proposals and their relative weights on each factor in a matrix. However, before they can do this, they must thoroughly understand the evaluation procedures which you will explain in the briefing.

The proposal that finishes with the highest total weight and is at least acceptable on all factors will receive the highest total score (by weight) and be ranked the highest. The proposal with the next highest total weight (which is still acceptable on all factors) will receive the next highest rank and so forth, down to the lowest ranking proposal.

A brief example of a matrix used to report ratings of various proposals follows: (These examples make the assumption that the SSEB is rating only not ranking.)

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(continued on next page)

#### 4.4 Brief Source Selection Board on Procedures for Reviewing and Analyzing the Technical Evaluation Report (continued)

##### TECHNICAL EVALUATION REPORT (Prepared by the SSEB)

Solicitation No. 123-456-7890  
Worldwide Paging System for Senior Executives

##### Overview

1. Purpose. This Technical Evaluation Report provides results of the technical evaluation of offeror proposals conducted during the period December 11-21, 199X. The purpose of this technical evaluation was to determine the acceptability of six technical and business proposals received in response to the referenced solicitation.
2. Offerors. The six offerors evaluated were:
  - a. Global Communications
  - b. Galaxy Electronics
  - c. Gateway Communications
  - d. Gordon Electronic Paging
  - e. Gideon Research
  - f. Gabriel-Angell Electrical
3. Evaluation Criteria. The specifications are found in the solicitation, dated June 3, 199X. The specific details concerning the evaluation criteria are found in the Source Selection Plan, dated March 23, 199X. Briefly, the areas we evaluated were:
  - a. Technical approach - maximum of 70 points.
    - a1. Understanding of the requirement - maximum of 20 points
    - a2. System integration plan - maximum of 20 points
    - a3. Service and maintenance plan - maximum of 20 points
    - a4. Quality assurance and warranty - maximum of 10 points
  - b. Business - maximum of 30 points
    - b1. Service network - maximum of 20 points
    - b2. Reporting system - maximum of 10 points
4. Summary of findings. We found that one of the proposals (Gabriel-Angell Electrical), was not acceptable. This proposal did not include a section on quality assurance and warranty as required in the solicitation. Further, the proposal exceeded the 100 page limit as required in the submission instructions. We did not read or evaluate any material in that proposal beyond the first 100 pages (excluding front matter).

Of the remaining proposals, Global Communications finished with the highest rating in all categories except quality assurance and warranty. Gideon Research offered the most favorable warranty.

(Report continued on next page)

#### 4.4 Brief Source Selection Board on Procedures for Reviewing and Analyzing the Technical Evaluation Report (continued)

Technical Evaluation Report  
Solicitation No. 123-456-7890  
Page 2

The following matrix presents the overall technical rating of offers.

	Understanding of the Requirement	System Integration Plan	Service & Maintenance Plan	Quality Assurance & Warranty	Service Network	Reporting System	
Global Communications	20	18	19	8	18	9	92
Galaxy Electronics	18	16	18	6	17	8	83
Gateway Communications	16	16	18	6	17	8	81
Jordan Electronic Paging	14	16	14	6	17	8	75
Leon Research	12	14	15	10	10	6	67
Abriel-Angell Electrical	10	14	15	—	10	6	59
Average Score	15	15.66	16.5	6	12.83	7.5	76

#### 4.4 Brief Source Selection Board on Procedures for Reviewing and Analyzing the Technical Evaluation Report (continued)

Technical Evaluation Report  
Solicitation No. 123-456-7890  
Page 2

The following matrix presents the overall technical rating of offers.

Offeror	Technical Approach				Business Management		Total
	Understanding of the Requirement	System Integration Plan	Service & Maintenance Plan	Quality Assurance & Warranty	Service Network	Reporting System	
Global Communications	E	E	E	E	E	E	E
Galaxy Electronics	E	A	E	A	A	A	A
Gateway Communications	A	A	E	A	A	A	A
Gordon Electronic Paging	A	A	A	A	A	A	A
Gideon Research	M	A	A	M	M	M	M
Gabriel-Angell Electrical	M	A	A	U	M	M	U
Average Score	A	A	E to A	A	A	A	A

## 4.5 Review Source Selection Board's Recommendations

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Introduction	This section explains the procedures you should follow in order to obtain and critique the technical ratings which will be provided by the SSEB. The technical ratings must provide a clear picture of the differences and tradeoffs among the various offers so the SSA can make an informed source selection in a “best value” acquisition. In order to accomplish this, you must be able to obtain the ratings in a timely manner and critique them to make sure they will support the SSA’s source selection decision.
Allow Time	The first thing you MUST do is make sure that the Technical Report from the SSEB is provided in a timely manner. The milestone for the submission of the report should allow time to make any necessary changes before the decision briefing for the SSA.
Technical Rating Matrix	Remember that the Technical Evaluation Report should include a matrix or table showing the rating of each technical proposal, in relation to the best possible evaluation score, in possible descending order. The technical rating matrix is a summary of the ratings, but these must be cross-checked and supported by the language in the narrative of the report.

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(continued on next page)

## 4.5 Review Source Selection Board's Recommendations (continued)

Procedure for  
for Critiquing  
the Technical  
Ratings

You should follow these steps to critique the technical evaluation report from the SSEB.

Step	Action
1. Read Entire Report	The first step is to read the entire technical evaluation report carefully. Conclude by reading the technical evaluation matrix. This will give you an overview of the reasoning, and the conclusions and determinations made by the board. If you do NOT understand any part of the report, ask the members questions until you do.
2. Critique for Application of the Evaluation Factors	The second step is to critique the application of the evaluation factors, subfactors and elements (if applicable) applied to each proposal. Look for hints or signs that they were not uniformly applied, or that some factors were not properly applied. Look for any sign that an evaluation factor other than those in the source selection plan was used. See if there is any sign that the standards were not applied. If there is any sign that the factors were not properly applied, the source selection process may be invalid and open to challenge. If you think this occurred, ask the evaluators. If it did happen, they may have to re-evaluate all proposals.
3. Critique Scoring Procedure	The third step is to critique the application of the scoring procedure. Check to see if the scoring procedure was carefully and completely applied. Remember, the scoring sheets for the individual technical evaluators should support the results shown in the matrix. If they do NOT, send them back so they can be corrected, to resolve any discrepancies. Remember, the SSEB is reviewing the scores prepared by the Technical Evaluation Team. It is not the SSEB's role to make changes. Changes are made by the TET.
4. Check Comparison of Proposals	Check to see if the proposals were evaluated against the evaluation factors, instead of against one another. Especially, look for any sign that proposals were evaluated in any way against the highest ranked proposal. (This may happen when an impressive proposal stands out during the evaluation.) If there is an indication that this occurred, send the report back and require the proposals be re-evaluated, applying the evaluation factors.

(Procedure continued on next page)



## 4.5 Review Source Selection Board's Recommendations (continued)

Procedure for  
Critiquing the  
Technical  
Ratings  
(continued)

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Step	Action
5. Critique the Basis of Evaluation	Make sure the basis for the evaluation is thoroughly documented. Check for insupportable conclusions and findings, especially if any offer is found "unacceptable."
6. Critique Strengths and Weaknesses	Check to see that the strengths and weaknesses of each proposal are discussed and listed. This may be especially important later if the SSA has to consider tradeoffs. Remember, a strength in one area of a proposal does not necessarily offset a weakness in another area. For example, the very best "business plan," does not necessarily make up for the fifth best "technical approach." On the other hand, a proposal that is rated second best in each area may be the highest rated overall. The comments about the weaknesses should include statements as to what should be done to correct that weakness. In some cases, an appropriate recommendation would be a request for more information.

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### **SUMMARY**

In this chapter you studied how to evaluate and analyze technical proposals. The next chapter will teach you how to develop a competitive range based on this evaluation.

# CHAPTER 5

## COMPETITIVE RANGE

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### Chapter Vignette

*Marcia informed John that a number of competent and capable offerors was expected to submit proposals on the upcoming solicitation. "It is very likely that there will be intense competition on the technical, business, and cost factors," she said. "I don't know if we will determine a clearly superior offeror right away. We may need some time to establish the competitive range, but in a high dollar, complex procurement like this one, we do not want to rush and possibly eliminate an offeror who may not be the most highly evaluated in one area. Sometimes, a winning offeror doesn't get the highest score in any one area, but provides the greatest overall value to the Government only when all factors are considered together. The goal is to make sure that every offeror in the competitive range really deserves to be there in order to provide the Government a good pool of offerors from which to select that one offer which is most advantageous to the Government."*

## Course Learning Objectives

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In this Chapter

At the end of this chapter, you will be able to:

1. Establish the Competitive Range
  2. Hold discussions with offerors in the competitive range.
  3. Notify offerors outside the competitive range.
  4. Determine whether to award without discussions.
-

## Chapter Overview

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Scope	This chapter presents information to help you determine the competitive range. The events described in this chapter occur after the evaluation of the offerors' proposals.
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Award Without Discussion	By this point in the source selection process, you will probably have eliminated at least some of the proposals from further consideration. You may even have determined that it seems possible to award to one of the offerors without holding discussions with other offerors.
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<div style="border: 1px solid black; padding: 5px; display: inline-block;"> FAR 15.610 &amp; FAR 52. 215-16 </div>	The FAR provision, Contract Award, most often included in solicitations, allows award without discussion in certain situations. However, you must be extremely careful when following the award without discussion method. This method is discussed later in this chapter.
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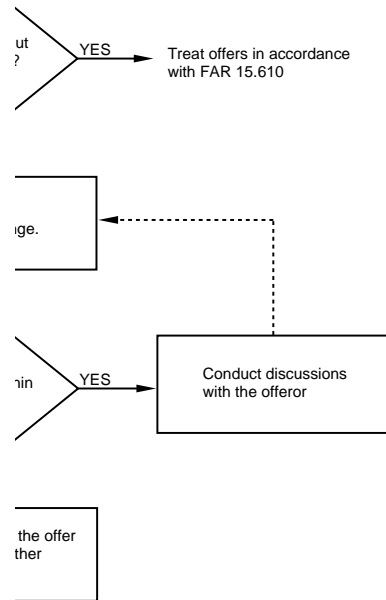
Award With Discussion	You <b>MUST establish the competitive range</b> consisting of only those offerors who have a reasonable chance of being selected. These are the offerors with whom you will hold discussions.
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## Chapter Overview

### Chapter Flowchart

The following flowchart depicts the major actions and events in this chapter.



## Chapter Overview

(continued)

Topics covered  
in this Chapter

This chapter includes the following topics:

SECT.	TITLE	PAGE
5.1	Terminology for Competitive Range	5-6
5.2	How to Establish the Competitive Range	5-8
5.3	How to Hold Discussions with Offerors in the Competitive Range	5-13
5.4	How to Notify Offerors Outside the Competitive Range	5-17
5.5	How to Determine Whether to Award Without Discussions	5-20

References

In order to perform the procedures described in this chapter, you should refer to the following references:

- the Statement of Work,
- the Source Selection Plan,
- the results of the evaluation, including any rank order listing of the evaluation panel's findings, such as technical memos on acceptability,
- Reports from a Cost Evaluation Panel (if applicable),
- FAR Parts 3, 9, 15, 17, 32, 47, and 52,
- The various offers.
- Any inquiries or requests for information from any offeror, and
- Similar or related acquisition histories.

## 5.1 Terminology for Competitive Range

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### Competitive Range

The competitive range is the determination of those offerors that have a reasonable chance of receiving the contract.

**FAR 15.609**

Note: As a result of discussions, offerors may be eliminated later from the competitive range.

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### Discussions

Once you establish a competitive range, you generally hold oral or written discussion with all offerors within that competitive range. If you hold discussions with one, you must have discussions with all.

There is no definitive statement that exactly specifies what a “discussion” is. However, the usual test as to whether a “discussion” has occurred is to determine whether an offeror has been given an opportunity to revise or modify its proposal. If an offeror has been afforded the opportunity to materially revise or modify its proposal, then discussion has occurred.

**FAR 15.601**

*The FAR states that **discussion** means any oral and/or written communication between the Government and an offeror, (other than communications conducted for the purpose of clarifications), whether or not initiated by the Government, that*

*(a) involves information essential for determining the acceptability of a proposal, or*

*(b) provides the offeror an opportunity to revise or modify its proposal.*

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### Discussions/ Negotiations

The terms “discussions,” “negotiations” and “clarifications” are often used interchangeably as if there were no difference among them. However, neither term is the same as clarification.

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## 5.1 Terminology for Competitive Range (continued)

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### Clarifications

“Clarification” is only for the correction of **minor** irregularities, informalities or clerical mistakes in the proposal.

Do NOT confuse clarification with discussion! If you ask an offeror for more than simple corrections to a proposal, you are probably engaging in discussions.

FAR 15.601

*The FAR states that **clarification** means communication with an offeror for the sole purpose of eliminating irregularities, informalities, or apparent clerical mistakes in the proposal.*

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### Deficiencies

*The FAR states that **deficiency** means any part of a proposal that fails to satisfy the Government’s requirements.*

FAR 15.601

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## 5.2 How to Establish the Competitive Range

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### Introduction

Remember, it is in the Government's best interest to maximize competition. Usually, it is in the best interest of the Government to maintain the largest optimum pool of offerors as long as possible to promote price and cost competition. Therefore, you will have to be careful about deciding to award without discussions, even if one offer appears clearly superior to the others on technical criteria. Avoid the temptation to eliminate offers for small irregularities.

This section discusses the procedures you should follow to establish the competitive range.

If there is only one offer with a realistic chance of selection, then there is no need to carry on discussions with the other offerors.

However, if there are at least two offers with a reasonable chance of being selected, then you generally conduct discussions.

---

### Establish the Competitive Range

The competitive range is the starting point to determine the offerors with whom you will hold discussions. The goal here is to include all those offerors who have a reasonable chance of being selected. Remember, the FAR states that *when there is a doubt as to whether a proposal is in the competitive range, the proposal should be included.*

---

## 5.2 How to Establish the Competitive Range (continued)

Eliminate  
Unacceptable  
Offers

Comp Gen  
B-228494

**Eliminate those offers which were found to be technically unacceptable and determined not capable of being made acceptable.**

Review the findings and conclusions of the technical evaluators. (See Chapter 4.) *Remember, you can exclude a technically unacceptable proposal from the competitive range, even if it offered the lowest price.* (See for example Comptroller General Decision B-228494, Matter of Data Resources, February 1, 1988.) Even though price was low, the offer was determined technically unacceptable.

Retain Acceptable  
Offers with  
Reasonable  
Chance

**Reasonable Chance.** You must include a proposal in the competitive range when it has a reasonable chance of being selected for award considering both cost/price and technical. The key word here is “reasonable”.

**Example of “Reasonable Chance.”** Suppose an offer was clearly acceptable according to all the technical factors in the evaluation, but there was some question as to whether the offeror had underestimated the time required to complete the work. You could conclude that this offer still had a reasonable chance of selection for award, because the offeror should be given the chance to explain the estimate of the time required.

However, if an offeror grossly underestimated the time or the level of effort required, you might conclude that the offeror did not understand the requirement and did not have a reasonable chance of being selected and would not include the offer in the competitive range.

## 5.2 How to Establish the Competitive Range (continued)

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Considerations in  
Establishing the  
Competitive  
Range

If you are selecting on the basis of “best value,” you should consider:

- The **number of offers in the competitive range**.
  - The **nature of the technical deficiencies**. If they are reasonably correctable, retain the offer in the competitive range. If the technical deficiencies are great or major, and require major revisions, then you may eliminate that offer. This is a judgement call and you may have to consult with technical experts.
  - The Government estimate and whether the cost/price is reasonable and compares with the other competitive range offerors.
  - Whether there is an **opportunity for significant cost savings** by considering the proposal. If there is, you should probably retain that proposal in the competitive range.
- 

Narrowing the  
Competitive  
Range

*Be careful here.* Do NOT eliminate so many offers that you are left only with a very few, or only one. Some areas for consideration are:

- A proposal was excluded through a “close call” on acceptability
  - There is a significant opportunity for cost savings by considering excluded proposals
  - The inadequacies of the RFP contributed to the technical deficiencies in the excluded proposals
  - The information deficiencies could have been corrected by discussions.
-

## 5.2 How to Establish the Competitive Range (continued)

Example of  
How to  
Determine the  
Competitive  
Range.

---

Suppose that you began with 30 offerors. Ten were eliminated as technically unacceptable, leaving 20. Of these 20, assume that you had eliminated the five with the highest prices, leaving 15 offers. You could then decide to establish either a narrow initial range or a wide initial range. You would establish the narrow or wide competitive range, based on:

- The offerors' technical proposals.
  - The offerors' price proposals.
- 

Example of  
Narrow  
Competitive  
Range

First, suppose that you decided to establish a narrow competitive range. You might want to do this if you were convinced that only a very few of the offers were really favorable on technical grounds or price. In this case, you might want to eliminate all but a few of the 15 offers, leaving just three or four.

The *advantage* of establishing this narrow competitive range early on is that it could make the final selection faster and easier, since you would only have a small number of offers to consider for final selection and award.

However, the *disadvantage* of establishing a narrow competitive range is that you might eliminate some potentially favorable offers. That would reduce your flexibility later. Be careful here. Do not establish a competitive range so narrow that you eliminate some truly favorable offers.

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## 5.2 How to Establish the Competitive Range (continued)

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### Example of Wide Competitive Range

On the other hand, suppose that, based on technical and price offers, you decided to establish a wide competitive range. In this case, you might decide to include several offers that seemed marginal on cost or technical grounds, but which might be improved to become truly favorable offers. Here, you might decide to establish a wider competitive range, to include seven or eight of the 15 remaining offers.

The *advantage* of establishing a wider competitive range is that you create a larger pool from which to select the most favorable offer. You might want to do this, for example, if you are convinced that some of the marginal offers can be easily improved and made really favorable to the Government. Remember also that you can always narrow the pool of offerors later by establishing a narrower competitive range.

The *disadvantage* of establishing a wider competitive range initially is the risk that you might include some offers that are not truly favorable or that cannot be improved. A wider initial competitive range means that you have more offers to consider and slows the final selection process.

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### 5.3 How to Hold Discussions with Offerors in the Competitive Range

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Oral vs.  
Written  
Discussions

Remember that discussions with offerors can be either written or oral. It is usually to your advantage to have both written and oral discussions. That is because it is usually easier during oral discussions to make sure that the offeror fully understands your concern about deficiencies. Both the Government and the offeror can ask questions face-to-face and be sure that both parties understand each other's concerns. However you should confirm discussions in writing and keep exact minutes from any oral discussions. Whether written or oral, discussions are supposed to be "meaningful" and you are advised to fully and **carefully document** the record of every discussion.

---

"Meaningful"  
Discussions

Discussions with any offeror must be "*meaningful*." That means that during the discussion, you must advise the offeror of all areas in which the proposal is "*deficient*" and provide that offeror a reasonable opportunity to correct those deficiencies and submit a corrected proposal.

**FAR 15.610**

This means that when you hold an oral or written discussion with an offeror, you must make sure that you :

- Identify **all** deficiencies in the proposal
  - Specify **all** deficiencies to the offeror
  - Provide a reasonable time for revision
  - Make a complete record of the discussion
  - Hold discussions with **all** other offerors in the competitive range.
- 

Objective of  
Discussions

The objective of discussions/negotiations is to correct deficiencies identified in the technical evaluation report and any cost/price report and any other minor informalities. This is also the appropriate time to review terms and conditions.

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(continued on next page)

## 5.3 How to Hold Discussions with Offerors in the Competitive Range

(continued)

Avoid  
Technical  
Leveling,  
Technical  
Transfusion,  
and  
Auctioneering

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During your discussion with any offeror, remember that you **MUST** avoid **technical leveling**, **technical transfusion** and **auctioneering**.

---

Technical  
Leveling

**Technical Leveling.** The FAR states that *technical leveling is helping an offeror to bring its proposal up to the level of other proposals through successive rounds of discussion.*

FAR 15.610

You can see that technical leveling is much like “coaching” an offeror on how to become more competitive by improving its proposal. This is barred because it penalizes the offerors who have done a more diligent, competent or inventive job in preparing a proposal.

---

Technical  
Transfusion

**Technical Transfusion.** The FAR states that *technical transfusion means the Government disclosure of technical information pertaining to a proposal that results in improvement of a competing proposal.*

FAR 15.610

You can see that technical transfusion can violate confidentiality, disclose offerors’ proprietary information and destroy the competitive process. This can be a major cause for serious claims against the Government.

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Auctioneering

**Auctioneering.** The FAR states that **Auction Techniques** includes:

FAR 15.610

- *Indicating to an offeror a cost or price that it must meet to obtain further consideration;*
  - *Advising an offeror of its price standing relative to another offer; and,*
  - *Otherwise furnishing information about other offerors’ prices.*
-



## 5.3 How to Hold Discussions with Offerors in the Competitive Range

(continued)

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### Plan and Rehearse

There are dangers in discussions. If you are not careful, you can easily make statements during discussions which can be interpreted as unallowable or prohibited or in violation of restrictions against technical leveling and technical transfusion.

Also, unsuccessful offerors may later claim during protests that they were misled during discussions. For these reasons, it is strongly recommended that you plan and thoroughly rehearse your discussions before you meet each offeror.

Prepare a written script and agenda and stick to them. It is important that you maintain control of the discussions.

It helps if you select a place, such as a conference room free from interference to promote discussions. Usually, it is preferable to meet at a Government facility and restrict the numbers of persons attending from both sides. This reduces the chances that someone will say the wrong thing. Remember that you should do most of the talking and listening, so it is a good idea to have someone else record the minutes of the discussions.

If at all possible, one member of the SSEB should play the part of the offeror during rehearsal and ask the most likely questions expected from the offeror. This can help you find and correct shortcomings in the Government's presentation.

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## 5.3 How to Hold Discussions with Offerors in the Competitive Range

(continued)

Plan and  
Rehearse  
(continued)

---

The following table summarizes the recommended procedures you should follow in preparing for your discussions with an offeror.

Preparation for Discussions
<ol style="list-style-type: none"><li>1. Write a script and stick to it.</li><li>2. Establish an agenda and stick to it.</li><li>3. Clearly specify the purpose of the discussion meeting.</li><li>4. Limit the number of participants on both sides.</li><li>5. Choose a location conducive to discussion.</li><li>6. Establish ground rules and enforce them.</li><li>7. Rehearse.</li></ol>

## 5.4 How to Notify Offerors Outside the Competitive Range

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### Introduction

This section discusses the procedures that you should follow to notify those offerors whose proposals fall outside the competitive range. You should follow these procedures anytime an offeror's proposal falls outside the competitive range, whether it is the initial competitive range, or when you have subsequently narrowed the competitive range.

As a result of the revision of proposals, you may further eliminate and notify offerors that their proposals are unacceptable and that their proposals are no longer being considered for award.

The purpose of notifying offerors outside the competitive range is to inform them that a decision has been made not to consider their proposals further. This should prevent them from spending any more valuable time, money and other resources on this project. You should realize that on some complex acquisitions, an offeror may spend literally millions of dollars and several labor years of valuable time, involving productive and high cost personnel such as proposal writers, engineers, researchers and scientists.

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## 5.4 How to Notify Offerors Outside the Competitive Range (continued)

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### Formal Notification

Once you have decided that it is necessary to notify offerors outside competitive range, remember that you must make a formal notification, in writing. Telephone calls alone are NOT acceptable.

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### Contents

Your written notice to each offeror outside the competitive range should include at least the following information:

- A statement that a determination has been made NOT to consider their proposal any further.
  - The basis for determining that the proposal is NOT acceptable.
  - That revisions to the proposal will NOT be considered.
- 

### Example

On the next page is an example of a notification to an offeror that its proposal is outside the competitive range.

(Topic continued on next page)

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## 5.4 How to Notify Offerors Outside the Competitive Range (continued)

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Example  
(continued)

U. S. Government Agency

June 5, 199X

Mr. John Davies  
Excello-Davies Corporation  
2311 Park Place  
Derry, MA 02121

Dear Sir:

Re: Solicitation DTGH 61-95-R-00108 and your  
proposal.

This is to inform you that your proposal in response to the referenced solicitation was evaluated and eliminated from further consideration. Your proposal was found to be not within the competitive range. Revisions will not be considered. No further action is required on your part. However, you may request a debriefing if you wish. To do so, please contact Ms. Emma Smith at (602) 737-4173.

Thank you for your participation in this acquisition.

Sincerely,

***Erica Lewis***

Erica Lewis  
Contracting Officer

## 5.5 How to Determine Whether to Award Without Discussions

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Introduction	This section discusses how you will determine to award a contract to an offeror without discussions.
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Definition of Discussions	You will recall that FAR 15.601 defines “discussions” to include any oral or written communication between the Government and any offeror that involves information which is essential to determine acceptability of an offer, or which provides the offeror an opportunity to revise or modify a proposal.
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FAR 15.601

Remember, however, that apparent clerical mistakes and ambiguities in offers may be corrected prior to establishing the competitive range. You can contact an offeror and seek clarification without a formal “discussion” having occurred.

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Discussions Are Generally Encouraged	Generally, discussions are encouraged in order to make sure the prospective offerors understand the requirements and are truly responsive. This is especially true for acquisition of developmental items or when there is considerable risk that any offeror can meet the requirements. NASA, for example, encourages discussions for these acquisitions when there is a significant risk.
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FAR

52.215-16

On the other hand, discussions may not be essential for many acquisitions when the technical risk is quite low or when there is a strong chance that proprietary information might be revealed to another offeror.

For example, DOD has restrictions on entering discussions and BAFO without approval of the next higher level. This is partly to minimize the danger of technical leveling.

The law does provide for award without discussions after evaluating competitive proposals (10 U.S.C. 2305(b)(4)).

10 U.S.C.  
2305(b)(4)

FAR 52.215-6 also provides for award without discussions. However, certain conditions must exist before you decide to award without discussions.

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FAR

52.215-16

## 5.5 How to Determine Whether to Award Without Discussions (continued)

### Conditions for Award without Discussions

You should determine that **all** of the following conditions are met before award without discussions can occur.

Conditions for Award without Discussions
<ul style="list-style-type: none"> <li>• there is one lowest-cost proposal within the competitive range (at least two offerors in the competitive range and it is possible to have two identical price offers.)</li> <li>• the lowest-cost proposal meets all the Government's minimum requirements, for price and technical factors, even if it is NOT the highest ranked on technical factors.</li> <li>• the lowest cost offeror's past performance is satisfactory and the offeror is NOT suspended, debarred or otherwise ineligible</li> </ul>

If all of these conditions exist, you can determine to award without discussions.

However, if you are concerned that best value is a major concern, you may still wish to enter discussions.

### When Only One Offer Is Competitive

In some acquisitions, you may find that only one offer is competitive on technical and price factors. In this case, there is no true competition and you may decide to award without discussions, but you should first make sure that the necessary conditions are present. That is, you must confirm that:

1. The offer is acceptable on cost. (Note: Even though there is only one cost proposal in the competitive range that cost must still be acceptable to the Government.) Compare the cost to the "should cost" data in the Independent Government Estimate. If the offeror's cost is too high, you should probably NOT award without discussions.

(topic continued on next page)

## 5.5 How to Determine Whether to Award Without Discussions (continued)

When Only  
One Offer Is  
Competitive  
(continued)

2. The offer really meets all the Government's technical factors for minimum acceptability. You will need to consult with the technical evaluators to be sure. Unless you and they are certain that the offer meets all technical and business management requirements, you should NOT award without discussions.
3. The offeror's past performance is satisfactory. You must make a subjective judgement that the offeror has consistently provided quality supplies and services to customers.

In order to make this determination, you can check with present and past customers in the private sectors, other government agencies, consumer protection agencies, better business bureaus and former subcontractors.

Once you have determined that the conditions for award exist, then you may decide to award without discussions.

Decision  
Table—Award  
Without  
Discussions

The following decision table summarizes the choices for award without discussions.

IF...	THEN...	OTHERWISE...
1. There truly is a competitive range (at least 2 offerors remain in the competitive range)... AND 2. There is a lowest cost proposal in the competitive range... AND 3. That lowest cost proposal truly meets all technical requirements, and presents an acceptable risk... AND 4. That offeror's past performance is satisfactory and the offeror is NOT otherwise barred...	You may choose to award without discussions	You should probably conduct discussions



## Summary

This chapter presented information on the actions that you must perform to narrow the competitive range during the source selection process. The next chapter presents the final actions you will perform in the source selection process, up to and beyond the contract award.

# CHAPTER 6

## SELECTION AND AWARD

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### Chapter Vignette

*John wondered if the large number of expected offerors would lead to a requirement for “Best and Final Offers.” “That is quite possible,” Marcia told him. “You should always be prepared for a BAFO requirement in a high dollar, complex acquisition. But, even if there is no BAFO, you must still document critical actions, such as evaluation or recommendations (for those agencies that permit recommendations), the final source selection, and any debriefings. Unless these actions are properly carried out and fully documented, you may increase the risk of a protest by unsuccessful offerors. Unfortunately, that can happen rather easily; fortunately, there are some standard procedures and precautions you can follow to minimize the risk and protect the Government.”*

## Course Learning Objectives

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In this Chapter	<p>At the end of this chapter, you will be able to:</p> <ol style="list-style-type: none"><li>1. Identify the basic steps in conducting discussions.</li><li>2. Prepare a written request for best and final offers.</li><li>3. Determine the overall ranking/rating of each best and final offer.</li><li>4. Determine the need to reopen discussions.</li><li>5. Prepare the final source selection package for the SSA.</li><li>6. Describe the elements in assembling a contract.</li><li>7. Document the award and identify related records.</li><li>8. Issue award notice(s).</li><li>9. Prepare for debriefings.</li><li>10. Conduct individual debriefings for offerors.</li><li>11. Properly prepare written documentation of the debriefing.</li></ol>
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## Chapter Overview

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Scope	<p>The requirement to conduct discussions begins when you determine which offerors are in the competitive range. See Chapter 5 for a discussion of the competitive range. This chapter discusses how to:</p> <ul style="list-style-type: none"> <li>• Conduct and document discussions.</li> <li>• Request Best and Final Offers (BAFO).</li> <li>• Evaluate BAFOs.</li> <li>• Determine the need to reopen discussions.</li> <li>• Prepare the award decision package.</li> <li>• Prepare the contract.</li> <li>• Document the award.</li> <li>• Issue award notice(s).</li> <li>• Prepare for debriefings.</li> <li>• Conduct the debriefings.</li> <li>• Document debriefings.</li> </ul>
Introduction	<p>This chapter presents the information you will need to proceed through discussions, best and final offers, preparation of the award decision, preparation of the contract, documentation of the award, and debriefings. These are all major events in the source selection process.</p> <p>When these procedures are completed, the contract administration phase can begin. However, it is important that the events and procedures in this chapter be carried out correctly to protect against delays and minimize protests against the Government.</p>

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## Chapter Overview (continued)

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### References

In order to perform the procedures discussed in this chapter, you will need the following:

- The Request for Proposal (RFP)
  - Any amendments, revisions, clarifications or explanations issued by the Government in response to preaward inquiries
  - The documents from the Source Selection Evaluation Board's evaluation, such as technical reports giving technical acceptability and rankings/ratings.
  - Prenegotiation Plan.
  - Any notes or other records of discussions or requests for clarifications which you have held with any of the offerors.
  - Any requests for best and final offers (BAFOs).
  - Those offers remaining in the competitive range.
  - Any site survey/pricing/audit reports which you may have requested.
  - Any BAFOs submitted by offerors.
-

## Chapter Overview (continued)

Topics in This  
Chapter

This chapter includes the following topics:

SECT	TITLE	PAGE
6.1	Conducting and Documenting Discussions	6-6
6.2	Requesting Best and Final Offers	6-14
6.3	Evaluating Best and Final Offers	6-18
6.4	Preparing Awards	6-20
6.5	Documenting the Award and Related Records	6-24
6.6	Conducting Debriefings	6-27

## 6.1 Conducting and Documenting Discussions

---

**Introduction** You may find it necessary to carry on extensive discussions with offerors after you have determined the competitive range. During such discussions, you may learn more about the offerors' abilities to respond to the requirements.

The focus of this chapter, by itself, will not make you a skilled negotiator. That requires considerable observation and practice. The Federal Acquisition Institute offers courses that will help you become proficient in negotiation. The following courses are recommended:

- Cost Analysis
- Price Analysis
- Negotiation Techniques
- Negotiation Procedures

This chapter presents the knowledge you must have to award a contract, including the requirements to thoroughly document all discussions, and debriefings.

---

**Conducting and Documenting Discussions** You learned in Chapter 5 that once you have determined that it is necessary to conduct discussions with an offeror, you should follow a set procedure to conduct and document the discussions. This set procedure is intended to make sure that you comply with all regulations and to provide an audit trail in case there is ever any question that the award was not made properly.

---

**Control over Discussions** A key to successful discussions is control. If you are responsible for discussions, you must maintain control over the planning, conduct and documentation of the discussions. This control begins before you schedule the first discussion, when you first determine the discussion objectives. This may be some time before the actual discussions begin.

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**6.1 Conducting and Documenting Discussions** (continued)

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**Understand the  
Discussion  
Objectives**

Once you determine that discussions are necessary, the next thing you must do is make sure that you fully understand the discussion objectives. The discussion objectives are established as soon as possible and documented. Many agencies use a Prenegotiation Plan or Memorandum.

These objectives are the subject matter that you will discuss with the offeror(s) during each discussion session. In order to make sure that you understand the discussion objectives, you should carefully review the technical reports and/or the evaluation summary and the references on Page 6-4.

In most cases, the discussion objectives will be clear and very straightforward. Usually, the discussion objectives will be to make sure that the offeror(s) can deliver the supplies or services required in the RFP in the manner as they are stated in the proposals and to clear up any question or deficiencies which arose during the evaluation.

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## 6.1 Conducting and Documenting Discussions (continued)

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### List All Deficiencies to be Discussed

Make sure you fully understand all the deficiencies to be discussed with each offeror. Remember, *during the discussion, you must identify the specific deficiency to the offeror and explain why it is a deficiency*. In some cases, the offeror may truly not realize that the deficiency exists or may deny that the matter in discussion is really a deficiency, especially if the deficiency will be expensive to correct.

Make sure that you fully identify each deficiency and are able to explain the nature of the deficiency, *but do not suggest how the offeror can correct or improve the proposal*. If you do, you can easily get into *technical leveling* (helping an offeror bring a proposal up to the level of other proposals by pointing out weaknesses) or *technical transfusion* (providing solutions to a deficiency from a competitor's proposal). Remember that both of these practices are prohibited.

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### Anticipate Questions

Usually, you will also be able to anticipate most of the questions that the offeror may ask. Prepare your answers in advance.

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### Review the Prenegotiation Plan

Remember, if your agency requires a Prenegotiation Plan, you should review the plan and make sure each team member understands his/her role and tactics in the discussions. Depending on the scope and complexity of the discussions, you may allow time for rehearsals.

---

### Review Agenda

Review the agenda as discussed in Chapter 5. It will help you maintain control over the time and pacing of the discussions. If necessary, you can always modify the agenda during actual discussions, but it is a valuable starting point.

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**6.1 Conducting and Documenting Discussions** (continued)

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Sequence of  
the Discussion

Usually, it is better to schedule the sequence of discussion so that the technical areas are addressed first, followed by the cost/price areas. The reason for this is that a change in a technical area can have impact in the cost area. Therefore it is useful to understand technical matters first. Within the technical area, it is useful to first restate the deficiencies, then clarifications, and then terms and conditions. A typical sequence of discussion is therefore:

- Technical Areas:
    - Deficiencies
    - Clarifications
    - Terms and conditions
  - Cost/Price Area
- 

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## 6.1 Conducting and Documenting Discussions (continued)

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### Schedule Discussions and Brief the Team Members

Once you are confident that you understand what is to be discussed, you should schedule the discussions and brief any other members of the team. In some cases, there will be one or more persons, usually technical specialists, who will be part of the Government's discussion team. You must brief these persons on their role on what to say and what NOT to say during discussions.

Remind the team members that there are some things they must NOT do during discussions. These include:

- Never indicate to offerors that they will win an award
- Never give an offeror an advantage by disclosing information to him/her only
- Never disclose the Government's cost estimates
- Never allow a deadline to affect the discussion strategy

Just prior to the actual discussions, you should again brief the team members on their roles, on the discussion objectives and on any special ground rules you have established, such as who is to speak. ***Usually, the fewer persons who speak for the Government, the better.*** However, it may be necessary to specify that one or more technical specialists will discuss key technical matters at specified points in the discussions.

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**6.1 Conducting and Documenting Discussions** (continued)

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Select an  
Adequate  
Facility

Be sure to select an adequate facility for discussions. Usually, it is better to hold discussions at a Government facility than at the offeror's facility. At a Government facility you can have more control over the starting time, ending time, and other arrangements. You also have easier access to all your files and supporting documents. Of course, you also save on travel time and costs.

Reserve the facility and make sure there are arrangements to avoid interruptions and to record the minutes of the discussions. If you are in charge of the discussions, you can make notes, but it is better to designate another person as a recorder to concentrate on keeping the minutes to obtain a full record for documenting the discussion.

---

Notify  
Offeror(s)

As soon as possible, notify the offeror(s) of the time, place, and any other details, such as security clearance requirements that need to be completed prior to the meeting. The Contracting Officer should also advise the contractor as to the maximum number of contractor personnel acceptable at the meeting. You may want to provide a facsimile (FAX) message of the agenda, especially if you expect complex discussions and want the offeror to come well prepared.

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## 6.1 Conducting and Documenting Discussions (continued)

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Opening Statement	The opening statement should establish your control over the conduct of the discussion and establish a positive environment.
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Use the following checklist to plan your opening statement:

- Introduce each person
  - Explain the extent of each person's role
  - Briefly provide a synopsis of the procurement
  - If appropriate, discuss the results of any factfinding
  - Explain the purpose of this discussion
  - Stress the Government's intention to be fair and the mutual interest of both parties.
- 

Conduct Discussions	Conduct the discussions in accordance with the prenegotiation objectives and the agenda. Make sure that you maintain control of the discussions. Present the deficiencies as accurately as possible.
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Identify Offeror's Negotiation Tactics and Strategy	Be aware that you must listen carefully to what the offeror is saying and how it is said to identify the offeror's negotiation tactics and strategies. Be prepared to select and apply the correct strategy and tactics for the Government side. Maintain control of the personnel on the Government side and introduce them into the discussions at the points called for in the prenegotiation objectives. Remember, you are negotiating from a position of strength, not from a position of weakness.
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## 6.1 Conducting and Documenting Discussions (continued)

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Document Discussions in Progress	Make sure that the person designated as the recorder is accurately documenting the discussions in progress and is able to “capture” all the concerns, uncertainties and deficiencies.
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You may decide to take a brief break from the discussions several times to make sure all the main points are being captured and recorded correctly and to refresh your memory about the progress on the major points and negotiation objectives.

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Maintain Competitive Discussions	<p>The objectives for clarifying deficiencies are to allow offerors to:</p> <ul style="list-style-type: none"><li>• correct deficiencies;</li><li>• better understand the requirement; and,</li><li>• submit the best overall proposal to the Government.</li></ul>
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Conclude Discussions	<p>You must decide when to bring the discussions to a conclusion. Ideally, you should have completed all items on the discussion plan and agenda.</p>
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## 6.2 Requesting Best and Final Offers

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### Introduction

This section discusses the procedures for requesting Best and Final Offers (BAFOs). You must request BAFOs at the conclusion of the discussions. When you request BAFOs, you must:

- Decide whether to eliminate any additional offeror(s) from the competitive range (if allowed by the individual agency policy.) based on the results of your discussions.
  - Prepare a *written request for the BAFOs* establishing a common cut-off date.
  - Determine if any BAFO is late and should be rejected
  - Evaluate BAFOs
- 

### Decide Whether to Eliminate Additional Offerors

Based on the results of your discussions with the offerors, you may decide that one or more of the offerors should be eliminated at this point from further consideration. For example, if the discussions with one of the offerors did not reach agreement about price or technical terms, or if you became convinced that an offeror really did not seem capable of meeting the Government's requirements, you might decide here to eliminate that offeror.

FAR 15.1001(a) and (b)(1)
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However, if you eliminate an offeror, you must inform that offeror in writing that its proposal will not be considered further. Follow the instructions as provided in the FAR.

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## 6.2 Requesting Best and Final Offers (continued)

Prepare a  
Written  
Request for  
BAFOs

You must prepare a *written request for BAFOs*. The written request must be sent to all those offerors who are still within the competitive range. *Remember, a request for BAFOs allows the offerors to modify any aspect of their proposals. This means that the Government MUST review and evaluate the BAFOs using the same evaluation factors that were previously announced in the RFP.*

Contents of a  
Written  
Request for  
BAFOs

You must include in a written request for BAFOs at least the following information:

- A notice that discussions are concluded
- A notice that best and final offers are requested
- A common cutoff date and time specified for receipt of best and final offers
- Notice of late proposals provision, *Late Submissions, Modifications, and Withdrawals of Proposals*

FAR 15.611
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FAR 52.215-10
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## 6.2 Requesting Best and Final Offers (continued)

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Example of a  
Written  
Request for  
BAFOs

The following is a sample of such a written request for offerors to submit best and final offers.

U.S. Government Agency

January 4, 199X

Robinson Widget, Inc.  
Mr. Ben Friday  
1234 Mulligan Square  
Anywhere, MA 00011

Dear Sir:

Re: RFP 97-1234567-TLC.

This is to inform you that the Government has concluded discussions with all offerors.

It is hereby requested that you submit your “Best and Final Offer” in response to the RFP. In order to receive consideration, best and final offers must be received at Room 200, Main Administration Building, not later than 4:00 PM, Eastern Standard Time, on January 25, 199X.

Be advised that any best and final offer received after the specified time and date will be subject to the Late Submissions, Modifications, and Withdrawals of Proposals provision of the RFP.

Sincerely,

***J. P. Dubose***

J. P. Dubose

**6.2 Requesting Best and Final Offers** (continued)

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Determine if  
BAFOs Are  
Late and  
Should Be  
Rejected

*The BAFOs must be received, handled, and secured with the same care and under the same restrictions as the original proposals.*

In some cases, *the offeror may be late in submitting the BAFO*. When this happens, you must decide if the BAFO is late and, if so, reject the BAFO.

Be careful here. Be sure that if a BAFO is received late, it is really the fault of the offeror and not the Government's fault before you reject the BAFO.

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### 6.3 Evaluating Best and Final Offers

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Introduction *The Government MUST follow the same procedures in evaluating the BAFOs as were followed in the technical evaluation of the original proposals.* This will require that the technical evaluators carefully read each BAFO and apply the evaluation factors stated in the RFP. See Chapter 4 for a discussion of technical evaluation factors.

---

Identify and Resolve Mistakes in BAFOs Sometimes there are mistakes in a BAFO, just as there can be a mistake in an original offer. You will have to read each BAFO to check for such mistakes. If you find what appears to be a mistake in a BAFO, you must resolve that mistake before you accept the offer. Check for mistakes in both the price-related factors and the technical evaluation factors.

---

Rejection of All Offers In some cases, you may decide to recommend to the SSA that all offers be rejected. You can decide to recommend rejection of all offers when:

- All the technically-qualified offers are unreasonable in price
- The proposals were not independently arrived at in open competition
- For any other reason that cancellation is clearly in the Government's interest

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Need to Reopen Discussions In some cases, you may determine that there is a need to reopen discussions. The offeror(s) may propose a completely new technical approach in the BAFO and the technical evaluators. If any substantive questions arise, you may have to open a new round of discussions to obtain the information you will need to recommend a source selection.

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FAR 15.611(c)
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**6.3 Evaluating Best and Final Offers** (continued)

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Notify SSA

If you do NOT have grounds to recommend rejection of all offers, and once you have finally evaluated or ranked each BAFO, you must notify the SSA that you will be ready to present a decision briefing and report of findings.

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## 6.4 Preparing Awards

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Introduction	This section discusses the actions you must take in documenting awards, including preparing award documents.
Report of Findings	Usually, the chairperson of the SSEB must prepare a <b>Report of Findings</b> to accompany the decision briefing. The report explains the SSEB's basis for each offeror's rating/ranking. The following topic shows the contents you should include in the report of findings.
Contents of Report of Findings by SSEB for SSA	<p>The report of findings by the SSEB for the SSA contains the following:</p> <ul style="list-style-type: none"><li>• Table of Contents</li><li>• Brief description of product or services required (This may include the entire acquisition plan or portions of the plan.)</li><li>• Listing of names, functional titles, and assignment of all SSEB members and others who participated in the evaluation process</li><li>• Chronology of major events in the acquisition process</li><li>• Alphabetical listing of offerors who submitted proposals</li><li>• Description of methodology for evaluating proposals, including rating/ranking</li><li>• Reasons for elimination of any proposals before the beginning of the evaluation process</li><li>• Rationale to determine the competitive range and basis for elimination of any proposals at that breakpoint</li><li>• Method used to verify experience and performance record of offerors in the competitive range, and results, including major contracts performed for the Government</li></ul>

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## 6.4 Preparing Awards (continued)

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Decision Briefing	<p>If you are the chairperson of the SSEB, you must usually prepare, rehearse and present a formal decision briefing to the SSA. The briefing must be clear, logical, and must fully document the rationale for rating/ranking each offer. Frequently, legal counsel will also attend the decision briefing.</p>
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Your decision briefing may not necessarily duplicate the level of detail that you include in the report of findings. Also, you do not have to follow the exact same sequence in the briefing as you did in the report of findings.

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Decision Briefing Sequence of Topics	<p>The length and sequence of the decision briefing will depend on the size and complexity of the solicitation and evaluation. However, the following topics are recommended:</p> <ul style="list-style-type: none"> <li>• A description of the major aspects of each proposal in the competitive range to present an overview and understanding of the offeror's approach</li> <li>• Estimated cost of each proposal with comments on the validity, probable cost to the Government, and explanation for any variance between proposed cost and most probable cost</li> <li>• SSEB's rating/ranking of proposals with cost considerations and a summary of significant differences among proposals</li> <li>• Information on the offerors' financial capabilities as needed to perform under the proposed contract</li> <li>• Any other information you think may be relevant to the decision-making process</li> </ul>
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Approval by SSA	<p>The SSA reviews the SSEB's findings and any other necessary information, selects an offeror and signs the <b>Source Selection Statement</b>. The SSEB chairperson and legal counsel usually assist in the preparation and also sign. The Source Selection Statement should contain at least:</p> <ul style="list-style-type: none"> <li>• a brief description of the procurement</li> <li>• names of organizations submitting proposals</li> <li>• the selection decision and rationale</li> </ul>
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## 6.4 Preparing Awards (continued)

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### Preparing the Price Negotiation Memorandum

The Price Negotiation Memorandum is a document you must prepare in accordance with FAR to record all the issues that were identified during the procurement. This document will be used for both immediate and future reference, so take great care in writing it. Some agencies include the Price Negotiation Memorandum information in the Report of Findings.

FAR 15.808
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The exact contents of the price negotiation memorandum will depend on the nature of the procurement, but you should at least include the following information:

- Purpose of the negotiation
- Description of the acquisition, including appropriate identifying numbers (e.g. RFP No.)
- Name, position and organization of each person representing the contractor and the Government in the negotiation
- Current status of the contractor's accounting, estimating, compensation, and purchasing systems (to the extent that these systems affected the evaluation of offerors and/or discussions)

(topic continued on next page)

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## 6.4 Preparing Awards (continued)

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### Preparing the Price Negotiation Memorandum (continued)

- If certified cost and pricing data were required, the extent to which the contracting officer:
    - relied on the data submitted and used in negotiating the price
  - For price negotiations over \$100,000 (for DoD, \$500,000), any exemption or waiver requiring cost or pricing data and the basis for claiming or granting it
  - For price negotiations under \$100,000, the rationale for requiring cost or pricing data, if such had been required
  - Summary of the contractor's proposal, recommendations from the field pricing report, and the reasons for any pertinent variances from such recommendations. Where the determination of price reasonableness was based on cost analysis, include for each major cost element:
    - the contractor's proposal
    - the field report's recommendation (if any)
    - the Government's negotiation objective
    - the amount considered negotiated as part of the price
  - The most significant facts or considerations controlling the establishment of the prenegotiation price objective and the negotiated price, including the rationale for any differences between the two.
  - Basis for determining the profit or fee prenegotiation objective and the profit or fee negotiated
-



## 6.5 Documenting the Award and Related Records

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### Introduction

This section discusses the actions you must take in:

- making the award decision
  - preparing the contract and related documents
- 

### Making the Final Award Decision

The final award decision, of course, belongs to the SSA. Once the SSA has accepted any recommendations of the panel and makes the award decision, you are finally ready to prepare the contract. Please note that the SSA may select someone other than the recommended offeror.

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### Include Negotiated information in the Contract

Remember, you **MUST** include in the contract those terms and conditions that were agreed upon with the winning offeror during any negotiations. For example, if you negotiated a change of any kind to the design specifications or the performance specifications, you **MUST** include this information in the contract. An example of such a change would be a change to the delivery schedule of the amounts of supplies or services. *The contract MUST accurately convey all that was negotiated and agreed to and establish an effective date.*

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## 6.5 Documenting the Award and Related Records (continued)

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### Uniform Contract Format

Usually, you will use the **Uniform Contract Format**. It is crucial that you include in the contract the conditions established and approved during the evaluation of the winning offeror's proposal. The following table shows the numbered parts and lettered sections of the uniform contract format.

#### PART I — THE SCHEDULE

- A. Solicitation/Contract Form
- B. Supplies or Services and Prices/Costs
- C. Description/Specifications/Work Statement
- D. Packaging and Marking
- E. Inspection and Acceptance
- F. Deliveries or Performance
- G. Contract Administration Data
- H. Special Contract Requirements

#### PART II — CONTRACT CLAUSES

- I. Contract Clauses

#### PART III — LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

- J. List of Attachments

#### PART IV — REPRESENTATIONS AND INSTRUCTIONS

- K. Representations, Certifications, and other Statements of Offerors or Quoters
- L. Instructions, Conditions, and Notices to Offerors or Quoters
- M. Evaluation Factors for Award

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**Note: Sections L & M apply to the RFP and are NOT included in the resultant contract.**

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## 6.5 Documenting the Award and Related Records (continued)

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### Documenting the Award

In addition to preparing the contract, you must thoroughly document the records related to the award, showing how and why the selected offeror was chosen. This should include a documentation of the strengths and weaknesses of all the offers and any additional information gained during discussions. Most of this kind of information will be available in the information provided by the technical evaluators.

In some complex procurements, this documentation can be very bulky and fill several boxes or file drawers.

The **minimum information** that you need to document the award should include:

- A description of the acquisition
- The names of the offerors
- A summary of the strengths and weaknesses of each proposal and offeror
- The reasons why the selected contractor provides the greatest probability of satisfying the Government's requirements. (This information is available in the decision briefing prepared for the SSA.)

*You may need this information for later use in preparing, presenting, and documenting debriefings to unsuccessful offerors.*

## 6.6 Conducting Debriefings

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### Introduction

This section discusses the actions you must take in:

- preparing the debriefing
  - conducting the debriefing
  - documenting the debriefing
- 

### Preparing the Debriefing

In preparing for a debriefing, you must make three basic determinations:

- **What can** be discussed
- **What cannot** be discussed (because of restrictions)
- **Who** will do the talking (such as technical experts)

Remember that each offeror is treated individually, so you must be prepared for each debriefing.

---

### What Can Be Discussed

You will begin preparation for a debriefing by creating an agenda with the items to be discussed. The items that you should place on the agenda may include any item related to the acquisition, as long as it is authorized for disclosure by the Freedom of Information Act (FOIA).

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## 6.6 Conducting Debriefings (continued)

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What Can Be  
Discussed  
(continued)

As a general rule, this means that most questions received from an offeror may be discussed, unless these questions concern material not to be disclosed under the FOIA, or concern material which is proprietary or confidential. You can ask for such questions from each offeror in writing in advance. This gives you a chance to screen the questions to make sure they can be properly answered at each respective debriefing. However, you can also be sure that some questions will be asked at the debriefing for the first time, including some questions which should not be answered because of certain restrictions.

You could, for example, discuss a question about the evaluation factors that were used, such as why a particular technical evaluation factor was considered as more important than another. However, you do NOT disclose certain information about the tradeoff decisions made by the SSA in the final source selection decision.

You might also mention that a winning offeror was selected because it presented a more suitable or superior technical proposal. *However, if that technical proposal presented information which was proprietary or confidential, you could not discuss the details or content of the proposal.*

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What  
CANNOT Be  
Discussed

FAR 15.1003(b)
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Remember, you CANNOT discuss in the debriefing any item which is not authorized for disclosure by the FOIA, or which is proprietary or confidential. You must be careful therefore to make sure that you screen all questions from the offeror to be certain you are not about to discuss proprietary or confidential information which any offeror has entrusted to the Government.

FAR 15.1003(b) says that you shall NOT reveal:

- Trade secrets
  - Privileged or confidential manufacturing processes and techniques
  - Privileged or confidential commercial or financial information
- 

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## 6.6 Conducting Debriefings (continued)

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### Who Does the Talking

In addition to what will be discussed, you will also have to decide who will discuss what. It is generally the case that the fewer persons who speak for the Government at a debriefing, the better. However, in some procurements, the questions may be so technical that you must select some technical experts to present at least part of the debriefing.

Tell the technical experts what they can and CANNOT say. You may have to assign them time limits. Define their roles carefully and control the time and extent of their presentations. If the presentations are expected to be difficult, allow the technical experts time to rehearse their debriefing presentations and critique them as necessary.

Once you have determined the agendas and who will speak, announce the agendas and times and places for the debriefings. Select a location that is large enough to accommodate the offeror's representatives.

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### Conducting the Debriefing

Once you have determined what is to be discussed and who will do the talking, you are ready to conduct the debriefing. Remember to stick to the agenda and prevent any disclosure of proprietary or confidential information. Introduce the technical experts as they are required, but most of the debriefing will usually be conducted by the contracting officer.

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### Documenting the Debriefing

Make a record of what is said and by whom for each debriefing. You may choose to have a recorder present, or to take notes yourself, but it is necessary to fully document the debriefing. This is necessary in case there is a protest later or in case an offeror claims that its questions were not properly answered.

After the debriefing, file all the documentation along with all the other materials connected to the source selection, in case there is a protest over the award, or for future reference for similar procurements. This completes the procedures for source selection.

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# **Acronyms**





BAFO.....	Best and Final Offer
CICA.....	Competition in Contract Act
DFAR.....	Defense Federal Acquisition Regulation
DOD.....	Department of Defense
FAP.....	Federal Acquisition Process
FAR.....	Federal Acquisition Regulation
HCA.....	Head of Contracting Authority
RFP.....	Request for Proposal
SOW.....	Statement of Work
SSA.....	Source Selection Authority
SSAC.....	Source Selection Advisory Council
SSEB.....	Source Selection Evaluation Board
SSP.....	Source Selection Plan
TET.....	Technical Evaluation Team

# **Glossary**



**ACCEPTANCE**

- (1) The act of accepting an offer.
- (2) The act of an authorized representative of the Government by which the Government, for itself or as agent of another, assumes ownership of existing identified supplies tendered, or approves specific services rendered as partial or complete performance of the contract.<sup>1</sup>

**ACQUISITION**

The acquiring by contract, with appropriated funds, of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract.<sup>2</sup>

**ACQUISITION PLAN**

A plan for an acquisition which serves as the basis for initiating the individual contracting actions necessary to acquire a system or support a program.<sup>3</sup>

**ACQUISITION PLANNING**

The process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost: includes development of an overall strategy for managing the acquisition.<sup>4</sup>

**AGENCY**

One party, known as the principal, appoints another party, known as an agent, to enter into a business or contractual relationship with a third party. In Government contracting, the:

- Government is the principal.
- Contracting officer (CO) is the agent.
- Third party is the contractor

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<sup>1</sup>See FAR 46.101.

<sup>2</sup>See FAR 2.1.

<sup>3</sup>See FAR 7.104 and 1.105

<sup>4</sup>See FAR 7.101

<b>AGREEMENT</b>	Negotiated understandings on terms and conditions that will be incorporated in forthcoming contracts between the two. By definition, an agreement does not contain all the elements necessary to be considered a contract. See Basic Agreement and Basic Ordering Agreement.
<b>AMENDMENT</b>	A change (correction, deletion, or addition) to any information contained in an IFB or RFP (or previous amendment thereto). The amendment becomes part of the solicitation and any resulting contract. <sup>7</sup>
<b>ANTI-DEFICIENCY ACT</b>	A law prohibiting the obligation of money in advance of any appropriation or in excess of the amount of an available appropriation.
<b>APPROPRIATION</b>	Authority to obligate public funds that will result in immediate or future outlays.
<b>ASSESSMENT CRITERIA</b>	Areas of consideration common to more than one evaluation factor.
<b>AUCTION</b>	<p>A negotiation tactic prohibited under FAR 15.610. Prohibited auction techniques include:</p> <ul style="list-style-type: none"><li>• Indicating to an offeror a cost or price that it must meet to obtain further consideration.</li><li>• Advising an offeror of its price standing relative to another offeror (however, it is permissible to inform an offeror that its cost or price is considered by the Government to be too high or unrealistic).</li><li>• Otherwise furnishing information about other offerors' prices.<sup>8</sup></li></ul>

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<sup>7</sup>See FAR 14.208 and 15.410.

<sup>8</sup>See FAR 15.610(d).

<b>AUDIT</b>	A review of a company's accounting procedures, accounting practices, books, records, documents, and other evidence related to (a) cost or pricing data or (b) costs claimed to have been incurred or anticipated to be incurred in performing a contract. <sup>9</sup>
<b>AUTHORIZATION LEGISLATION</b>	A law which permits the establishment or continuation of Federal programs and agencies. Authorizing legislation is normally required before the enactment of budget authority, and such authority is normally provided in a separate appropriations act.
<b>BEST AND FINAL OFFER (BAFO)</b>	In competitive negotiations, proposals prepared by offeror in the competitive range following completion of discussions and receipt of a written request for BAFOs from the contracting officer. <sup>10</sup>
<b>BEST VALUE CONCEPT</b>	The concept that allows award to the offeror providing the greatest value to the government in terms of trade-off between price/cost and technical/business merit. One or more of the factors other than cost or price are evaluated using multiple distinctions of merit.
<b>BOARD OF CONTRACT APPEALS (BCA)</b>	An instrumentality of a Federal department or agency which hears contractor appeals of contracting officer decisions on claims arising under or relating to a contract subject to the Contract Disputes Act.
<b>CLAIM</b>	A written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract. <sup>11</sup>
<b>CLARIFICATION</b>	A communication with an offeror for the sole purpose of eliminating irregularities, informalities, or apparent clerical mistakes in the proposal.
<b>CLOSEOUT</b>	The process for closing out the contract file following physical completion (i.e. discharge) of a contract. <sup>12</sup>

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<sup>9</sup>See FAR 52.215-2.

<sup>10</sup>See FAR 15.611.

<sup>11</sup>See FAR 33.201.

<sup>12</sup>See FAR 4.804.

<b>CODE OF FEDERAL REGULATIONS (CFR)</b>	Codification of rules published in the Federal Register by the executive departments and agencies of the Federal Government.
<b>COMMERCE BUSINESS DAILY</b>	A publication of the U.S. Department of Commerce in which Government agencies are required to announce (IFBs and RFPs) procurement invitations, contract awards, and sales of surplus property. A new edition of the CBD is issued every business day. Each edition contains approximately 500-1,000 notices. Each notice appears in the CBD only <sup>13</sup>
<b>COMPETENT</b>	<p>An agent for a contracting party who, at the time of agreement to a contract, is:</p> <ul style="list-style-type: none"><li>• Of sound mind,</li><li>• Free of the influence of drugs or alcohol, and</li><li>• Otherwise legally authorized to enter into the agreement on behalf of the party.</li></ul>
<b>COMPETITIVE RANGE</b>	All proposals that the CO determines have a reasonable chance of being selected for award, based on cost or price and other factors that were stated in the solicitation. Unless the CO decides to award without discussions, the CO must conduct written or oral discussion with all responsible offerors who submit proposals within the competitive range. <sup>14</sup>
<b>CONTRACT</b>	A mutually binding legal relationship obligating the seller to furnish supplies or services (including construction) and the buyer to pay for them. <sup>15</sup>
<b>CONTRACT CLAUSE</b>	A term or condition used in contracts or in both solicitations and contracts, and applying after contract award or both before and after award. <sup>16</sup> Clauses state the rights and obligations of the parties to a contract.
<b>CONTRACT MODIFICATION</b>	Any written change in the terms of a contract. Unilateral modifications are signed only by the CO; bilateral by both parties. <sup>17</sup>

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<sup>13</sup>See the Reader's Guide in the CBD.

<sup>14</sup>See FAR 15.609 and 15.610.

<sup>15</sup>See FAR 2.1.

<sup>16</sup>See FAR 52.101(a).

<sup>17</sup>See FAR 43.101 and 43.103.

**CONTRACT  
SCHEDULE**

The complete statement of the requirement in the solicitation, including not only the Statement of Work and Specifications but also the terms and conditions with respect to packaging and marking, inspection and acceptance, deliveries or performance, contract administration data, and other special contract requirements. The Schedule includes Sections A through H the Uniform Contract Format.<sup>18</sup>

**CONTRACT TYPE**

- (1) The name of the compensation arrangement established by the terms and conditions of the contract, such as Firm Fixed Price. Fixed Price Redeterminable, Cost Plus Award Fee, Cost Plus Fixed Fee, or Cost Plus Incentive Fee.<sup>19</sup>
- (2) The name of the ordering arrangement established by the terms and conditions of an indefinite delivery contract, such as Definite Quantity, Indefinite Quantity, or Requirements.<sup>20</sup>

**CONTRACTING**

The purchasing, renting, leasing, or otherwise obtaining supplies or services from nonfederal sources.<sup>21</sup>

**CONTRACTING  
ACTIVITY**

An element of an agency designated by the agency head and delegated board authority regarding acquisition functions.<sup>22</sup>

**CONTRACTING  
OFFICER (CO)**

An agent of the Government (see “agency”) with authority to enter into, administer, or terminate contracts and make related determinations and findings.<sup>23</sup>

**COST**

The amount of money expended (outlay) in acquiring supplies or services. The total cost of an acquisition includes:

- The dollar amount paid to the contractor under the terms and conditions of the contract.
- Any direct costs for acquiring the supplies or services not covered in the contract price (shipping).
- Any cost of ownership not covered in the contract price (fuel costs).
- The Government's overhead for awarding and administering the contract.

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<sup>18</sup>See FAR 14.201-2, 14.201-9(b), and 15.406-2.

<sup>19</sup>See FAR 16.101.

<sup>20</sup>See FAR 16.501(a).

<sup>21</sup>See FAR 2.1.

<sup>22</sup>See FAR 2.1.

<sup>23</sup>See FAR 2.1.



**COST ANALYSIS**

The review and evaluation of the separate cost elements and proposed profit of (a) an offeror's or contract's cost or pricing data and (b) the judgmental factors applied in projecting from the data to the estimated costs in order to form an opinion on the degree to which the proposed costs represent what the cost of the contract should be, assuming reasonable economy and efficiency.<sup>24</sup>

**COST OR PRICING DATA**

All facts as of the date of price agreement that prudent buyers and sellers would reasonably expect to affect price negotiations significantly. Cost or pricing data are factual, not judgmental, and are therefore verifiable. While they do not indicate the accuracy of the prospective contractor's judgment about estimated future costs or projections, they do include the data forming the basis for that judgment. Cost or pricing data are more than historical accounting data; they are all the facts that can be reasonably expected to contribute to the soundness of estimates of future costs and to the validity of determinations of costs already incurred.

Examples of cost and pricing data:

- Vendor quotations.
- Information on changes in production methods and in production or purchasing volume.
- Data supporting projections of business prospects and objectives and related operations costs.
- Unit-cost trends such as those associated with labor efficiency.
- Make-or-buy decision.<sup>25</sup>

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<sup>24</sup>See FAR 15.801.

<sup>25</sup>See FAR 15.801.

**COST  
REIMBURSEMENT  
CONTRACTS**

Contracts that provide for payment of allowable incurred costs, to the extent proscribed in the contract. These contracts establish an estimate of total cost for the purpose of obligating funds and establishing a ceiling that the contractor may not exceed (except at its own risk) without the approval of the contracting officer.<sup>26</sup>

**DEBRIEFING**

Informing unsuccessful offerors of the basis for the selection decision and contract award. This information includes the Government's evaluation of the significant weak or deficient factors in the offeror's proposal.<sup>27</sup>

**DECISIONAL RULE**

Methodology of how you evaluate the factors and subfactors.

**DEFENSE  
REGULATORY  
ACQUISITION  
COUNCIL (DARC)**

A council comprised of representatives of the Secretary of Defense, the Army, the Navy, the Air Force, the Defense Logistics Agency, and NASA. Among other responsibilities, this council, along with the Civilian Acquisition Council (CAAC), maintains the FAR.

**DEFICIENCY**

Any part of a proposal that fails to satisfy the Government's requirements.

**DESIGN  
SPECIFICATION**

A purchase description that establishes precise measurements, tolerances, materials, in process and finished product tests. Quality control, inspection requirements, and other specific details of the deliverable.

**DISCHARGE OF A  
CONTRACT**

The obligations incurred by the parties when they entered into the agreement are excused, and the parties are no longer bound to perform as promised.

**DISCUSSIONS**

Any oral or written communication between the Government and an offeror, (other than communications conducted for the purpose of minor clarification) whether or not initiated by the Government, that (a) involves information essential for determining the acceptability of a proposal, or (b) provides the offeror an opportunity to revise or modify its proposal.<sup>28</sup>

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<sup>26</sup>See FAR 16.301-1.

<sup>27</sup>See FAR 15.1003.

<sup>28</sup>See FAR 15.601.

**ELEMENTS OF A CONTRACT**

Elements that must be present in a contract if it is to be binding. These include:

- An Offer
- Acceptance
- Consideration
- Execution by competent parties
- Legality of purpose
- Clear terms and conditions

**EVALUATION CRITERIA**

The methodology for evaluating proposals including the factors and significant subfactors, the relative importance of the factors and significant subfactors to one another and the measurement of such factors in terms of evaluation standards.

**EVALUATION FACTORS**

Descriptions of those aspects of an offer that are evaluated to assess which offer provides the proposal to best meet the Government's requirements as described in the solicitation. See also Cost/Price Factors and Technical Factors.

**EVALUATION MATRIX**

A chart which helps in developing the solicitation by cross referencing the evaluation areas against the factors and subfactors.

**EVALUATION STANDARDS**

A predetermined level of merit against which proposals are measured. Standards are usually a statement of the minimum level of compliance with a requirement which must be offered for a proposal to be considered acceptable.

**EXCUSABLE DELAY**

Delay in performing, or failure to perform a contract, arising from causes beyond the control and without the fault or negligence of the contractor.<sup>29</sup>

**EXECUTIVE ORDER (EO)**

An order issued by the President that establishes policies to be followed by executive agencies.

**FACTFINDING**

The process of identifying and obtaining information necessary to complete the evaluation of proposals. If a prospective bidder makes inquiries relative to other than readily available general information, it may be necessary to obtain specific information by communication with technical or other personnel in order to determine the appropriate response. This may include factfinding sessions with offerors as provided in FAR 15.807a.

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<sup>29</sup>See FAR 52.249-8(c).

**FEDERAL  
ACQUISITION  
REGULATION (FAR)**

Uniform policies and procedures for acquisition by executive agencies. The FAR is jointly prescribed, prepared, issued and maintained by the Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration.

**FEDERAL  
ACQUISITION  
REGULATORY  
COUNCIL**

A council composed of the Administer for Federal Procurement Policy, the Secretary of Defense, the Administrator of National Aeronautics and Space Administration, and the Administrator of General Services. Under the Office of Federal Procurement Policy Act, this council assists in the direction and coordination of Government-wide procurement policy and procurement regulatory activities.

**FEDERAL REGISTER  
(FR)**

A daily Government publication that informs the public of proposed rules, final rules, and other legal notices issued by Federal agencies.

**FEDERAL  
SPECIFICATIONS  
(FED SPECS)**

Specifications and standards that have been implemented for use by all Federal agencies. GSA lists them in the index of Federal Specifications, Standards, and Commercial Item Descriptions.<sup>30</sup>

**FIRM FIXED PRICE**

A contract that establishes a price not subject to any adjustment on the basis of the contractor's cost experience in performing the contract.<sup>31</sup>

**FIXED PRICE  
CONTRACT**

A contract that establishes a firm price or, in appropriate cases, an adjustable price. Fixed-price contracts providing for an adjustable price may include a ceiling price, a target price (including target cost), or both. Unless otherwise specified in the contract, the ceiling price or target price is subject to adjustment only by operation of contract clauses providing for equitable adjustment or other revision of the contract price under stated circumstances. See also Firm Fixed Price Contract.<sup>32</sup>

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<sup>30</sup>See FAR 10.001.

<sup>31</sup>See FAR 16.202-1

<sup>32</sup>See FAR 16.201.

**FULL AND OPEN  
COMPETITION  
(FAOC)**

FAOC means that all responsible sources are permitted to compete (although some sources may be excluded as provided in FAR 6.2).<sup>33</sup>

**FUNCTIONAL  
SPECIFICATION**

A purchase description that describes the deliverable in terms of performance characteristics to satisfy the intended use.

**GENERAL  
ACCOUNTING  
OFFICE (GAO)**

An office within the legislative branch that serves as “the watchdog for the Congress.” Among other things, the GAO makes decisions on protests filed with it relative to any agency's handling of solicitations, audits agency programs and management and makes recommendations on protests. These decisions are referred to as Comptroller General Decisions because the Comptroller is the head of GAO.

**GENERAL SERVICES  
ADMINISTRATION  
BOARD OF  
CONTRACT APPEALS  
(GSBCA)**

The GSBCA is a board which, among other responsibilities, has statutory authority to hear protests filed with it relative to an agency's handling of solicitations for acquisition of automated data processing (ADP) equipment or related resources.

**GO/NO-GO FACTORS**

Factors where no additional credit is granted for exceeding a minimum standard of acceptability. Go/No-Go Factors are also called Pass-Fail factors.

**GOVERNMENT  
PROPERTY**

All property owned by or leased to the Government or acquired by the Government under the terms of the contract. It includes both (1) Government-furnished property and (2) property acquired or otherwise provided by the contractor for performing a contract and to which the Government has title.<sup>34</sup>

**GOVERNMENT  
FURNISHED  
PROPERTY**

Property in the possession of, or directly acquired by, the Government and subsequently made available to the contractor.<sup>34</sup>

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<sup>33</sup>See FAR 6.003

<sup>34</sup>See FAR 45.101

**HEAD OF THE  
CONTRACTING  
ACTIVITY (HCA)**

The official who has overall responsibility for managing the contracting activity.

**LOWEST PRICE,  
TECHNICALLY  
ACCEPTABLE  
PROPOSAL**

All of the evaluation factors, except price, are, in effect, evaluated on a “Go, No-Go” basis.

**MARKET RESEARCH**

Collecting and analyzing information about the entire market available to satisfy agency needs to arrive at the most suitable approach to acquiring, distributing, and supporting supplies and services.<sup>35</sup>

**METHOD OF  
PROCUREMENT**

The process employed for soliciting offers, evaluating offers, and awarding a contract. Federal contracting officers use one of the following methods for any given acquisition:

- Small Purchase
- Sealed Bidding
- Negotiation
- Two-Step Sealed Bidding

**MILITARY  
SPECIFICATIONS  
(MIL SPECS)**

Specifications and standards maintained by DoD and published in the DoD Index of Specifications and Standards.<sup>36</sup>

**MULTIPLE  
DISTINCTIONS OF  
MERIT**

Factors where additional credit is granted or factors that establish a method to rank offers other than on a “pass-fail” basis.

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<sup>35</sup>See FAR 10.001

<sup>36</sup>See FAR 10.001

**NEGOTIATION**

- (1) A bargaining process between two or more parties seeking to reach a mutually satisfactory agreement or settlement on a matter of common concern.
- (2) A method of procurement prescribed in Part 15 of the FAR that includes the receipt of proposals from offerors, permits bargaining, and usually affords offerors an opportunity to revise their offers before award of a contract. Bargaining-in the sense of discussion, persuasion, alteration of initial assumptions and positions, and give-and-take - may apply to price, schedule, technical requirements, type of contract, or other terms of a proposed contract.<sup>37</sup>

**OBLIGATION OF FUNDS**

Legally binding commitments, such as contract awards, made by Federal agencies during a given period that will require outlays during the same or some future period.

**OFFER**

A legally binding promise, made by one party to another, to enter into a contractual agreement, if the offer is accepted. In sealed bidding, offers made in response to Invitations To Bids (IFBs) are called “bids.” In negotiated acquisitions, offers made in response to a Request for Proposals (RFP) are called “proposals.”<sup>38</sup>

**OFFICE OF FEDERAL PROCUREMENT POLICY (OFPP)**

An organization within the Office of Management and Budget (OMB) that provides leadership and direction to Federal procurement programs.

**OFFICE OF MANAGEMENT AND BUDGET (OMB)**

An office that recommends and monitors Federal programs and funding levels, develops and issues Government wide policy guidance on management concerns, and reviews proposed regulations.

**PERFORMANCE SPECIFICATION**

A purchase description that describes the deliverable in terms of desired operational characteristics. Performance specifications tend to be more restrictive than functional specifications, in terms of limiting alternatives which the Government will consider and defining separate performance standards for each such alternative.

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<sup>37</sup>See FAR 15.102

<sup>38</sup>See FAR 2.1

<b>PREAWARD INQUIRY</b>	Questions and comments from prospective offerors about specifications, terms, and conditions in a solicitation received prior to the opening date of the IFB or closing date of the RFP. <sup>39</sup>
<b>PREBID/PROPOSAL CONFERENCE</b>	A meeting held with prospective offerors before bid opening or before the closing date for submission of proposals. Generally, the purpose of such meetings is to brief the offerors and explain complicated specifications and requirements. <sup>40</sup>
<b>PRICE</b>	<ol style="list-style-type: none"><li>(1) A monetary amount given, received, or asked for in exchange for supplies or services.</li><li>(2) Cost plus any fee or profit applicable to the contract type. Price analysis includes comparing the various bid prices; comparing current bid prices with prices previously paid; and other price analysis techniques.<sup>41</sup></li></ol>
<b>PRICE ANALYSIS</b>	The process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit. <sup>42</sup>
<b>PRICE-RELATED FACTOR</b>	When evaluating offers for award, any factor applied in identifying that offer which would represent the lowest total cost to the Government. Examples include costs of inspection, transportation, and the cost of making multiple awards. Any price-related factors must have been stated in the IFB. <sup>43</sup>
<b>PROCUREMENT ACTION LEAD TIME (PALT)</b>	The time between (1) acceptance of a PR by the contracting officer and (2) award of the contract.
<b>PROCUREMENT PLANNING</b>	Upon acceptance of the Purchase Request, the plan developed by a CO for soliciting offers, evaluating offers, and awarding a contract.

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<sup>68</sup>See FAR 14.211 and 15.413

<sup>69</sup>See FAR 14.207 and 15.409

<sup>70</sup>See FAR 15.801

<sup>71</sup>See FAR 15.801

<sup>72</sup>See FAR 14.201-8



<b>PROPOSAL PREPARATION INSTRUCTIONS</b>	The proposal preparation instructions provide offerors with directions for preparing responses to the requirements in this consistent format.
<b>PROTEST</b>	A written objection by an interested party to a solicitation, proposed award, or award of a contract. Interested parties include actual or prospective offerors whose direct economic interests would be affected by the award of a contract or by the failure to award a contract. <sup>44</sup>
<b>PURCHASE DESCRIPTION</b>	Describe the essential physical characteristics or functions required to meet the Government's minimum need. <sup>45</sup>
<b>QUALITATIVE STANDARD</b>	A qualitative standard relates to quality or kind. it does not relate specifically to quantity.
<b>QUALITY</b>	The extent to which the contract's deliverable satisfies the actual minimum needs of the end users.
<b>QUALITY ASSURANCE (QA)</b>	Functions, including inspection, performed to determine whether a contractor has fulfilled the contract obligations pertaining to quality and quantity. <sup>46</sup>
<b>QUANTITATIVE STANDARD</b>	A quantitative standard relates to terms of quantity or a measurement of quantity.
<b>RATING/SCORING INSTRUCTIONS</b>	Instructions given to each evaluator on how to rate or score evaluation factors.
<b>RATING/SCORING METHOD</b>	A method of rating/scoring an evaluation factor in relationship to its corresponding standard such as numerical, adjective, color, etc.
<b>REASONABLE COST</b>	A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person in the conduct of competitive business. <sup>47</sup>
<b>REPORT OF FINDINGS</b>	A Report of Findings explains the SSEB's basis for each offeror's rating/ranking.

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<sup>44</sup>See FAR 33.101

<sup>45</sup>See FAR 10.101

<sup>46</sup>See FAR 46.101

<sup>47</sup>See FAR 31.201-3

**REQUEST FOR  
PROPOSALS (RFP)**

The solicitation in negotiated acquisitions.

**RESPONSIBLE  
OFFEROR**

An offeror that meets the General and any Special Standards established under FAR 9.104.<sup>48</sup> To be determined responsible under the General Standards, a prospective contractor must—

- Have adequate financial resources to perform the contract, or the ability to obtain them;
- Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;
- Have a satisfactory performance record;
- Have a satisfactory record of integrity and business ethics;
- Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, and quality assurance measures applicable to materials to be produced or services to be performed by the prospective contractor and subcontractor);
- Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and
- Be otherwise qualified and eligible to receive an award under applicable laws and regulations.

**RESPONSIVE**

A bid that complies in all material respects with the IFB.<sup>49</sup>

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<sup>48</sup>See FAR 9.101

<sup>49</sup>See FAR 14.301(a)

**RISK**

The probability of not attaining the goals for which the party entered into a contract. For the contractor (seller), the principal business or financial risk is an unexpected loss of money on the contract. For the Government, the principal risk are that:

- The total cost of the acquisition will be higher than expected or unreasonable in relation to the actual costs of performance.
- The contractor will fail to deliver or will not deliver on time.
- The final deliverable will not satisfy the Government's actual need, whether or not "acceptable" under the terms and conditions of the contract.
- The Government's need will change prior to receipt of the deliverable.

**RELIABLE FACTOR**

A reliable factor is one which can be applied consistently by the source selection evaluators in a uniform manner to rate each proposal the same way with minimum variation among the evaluators.

**RELATIVE  
IMPORTANCE**

An explanation of the relative importance of each factor, subfactor and element to each other.

**SERVICE CONTRACT**

A contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to Furnish an end item of supply.<sup>50</sup>

**SOLICITATION  
PROVISION**

A team or condition used only in solicitations and applying only before contract award. Provisions provide information to prospective offerors on such matters as:

- Preparing and submitting offers.
- The evaluation of offers and the offeror's right to protest award.<sup>51</sup>

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<sup>50</sup>See FAR 37.101

<sup>51</sup>See FAR 52.101(a)

<b>SOLE SOURCE ACQUISITION</b>	A contract for the purchase of supplies or services that is entered into or proposed to be entered into by an agency after soliciting and negotiating with only one source. <sup>52</sup>
<b>SOLICITATION</b>	A document requesting or inviting offerors to submit offers, Solicitations basically consist of (a) a draft contract and (b) provision on preparing and submitting offers.
<b>SOURCE SELECTION</b>	The process of soliciting and evaluating offers for award in a competitive negotiated environment.
<b>SOURCE SELECTION AUTHORITY (SSA)</b>	The Government official in charge of selecting the source.
<b>SOURCE SELECTION ADVISORS</b>	Personnel responsible for providing source selection advice to the SSA and SSEB
<b>SOURCE SELECTION ADVISORY COUNCIL (SSAC)</b>	High level agency personnel that oversee the functioning of the SSEB and that may make recommendations to the SSA.
<b>SOURCE SELECTION EVALUATION BOARD</b>	Specialists who are responsible for assisting the Contracting Officer in developing the source selection plan and for evaluating proposals in accordance with the source selection plan and the RFP.

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<sup>52</sup>See FAR 6.003

**SOURCE SELECTION  
PLAN**

A plan containing at a minimum the following:

- description of the organization structure
- identify members of the boards or advisors
- proposed presolicitation activities
- summary of the acquisition strategy
- statement of proposed evaluation factors and any significant subfactors, & their relative importance
- description of the evaluation process, methodology, and techniques to be used
- schedule of significant milestones.

**SOURCE SELECTION  
STATEMENT**

The statement specifying the source selected by the SSA for the acquisition and the rationale behind the selection.

**SPECIFICATION**

A description of the technical requirements for a material, product, or service that includes the criteria for determining whether the requirements are met.<sup>53</sup>

**STANDARD**

A document that establishes engineering and technical limitations and applications of items, materials, processes, methods, designs, and engineering practices; includes any related criteria deemed essential to achieve the highest practical degree of uniformity in materials or products, or the interchangeability of parts used in those products.<sup>54</sup>

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<sup>53</sup>See FAR 10.001

<sup>54</sup>See FAR 10.001

<b>STANDARDS OF RESPONSIBILITY</b>	Standards which measure whether the offeror is able to provide the supplies or services. FAR 9.103 requires a determination of responsibility. The Go/No-Go decisional rule applies.
<b>SPECIAL STANDARDS OF RESPONSIBILITY</b>	Special standards are established to minimize performance risk which is not adequately addressed by normal standards of responsibility.
<b>STATEMENT OF WORK (SOW)</b>	The complete description of work to be performed under the contract, encompassing all specifications and standards established or referenced in the contract. The SOW constitutes Part C of the Uniform Contract Format.
<b>STATUTE</b>	A law enacted by the legislative branch of Government and signed by the President; identified by a public law number.
<b>SUBCONTRACT</b>	Any contract entered into by a prime contractor with any subcontractor to furnish supplies or services for performance of a prime contract or a subcontract.
<b>SUBCONTRACTOR</b>	Any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor. <sup>56</sup>
<b>SUPPLIES</b>	All property except land or interest in land, including (but not limited to) public works, buildings, and facilities; ships, floating equipment, and vessels together with parts and accessories; aircraft and aircraft parts, accessories, and equipment; machine tools; and the alteration or installation of any of the foregoing. <sup>57</sup>
<b>SYNOPSIS</b>	<ol style="list-style-type: none"><li>(1) A brief description of the supplies and services to be acquired by contract. It also provides prospective offerors with information on obtaining a copy of the IFB or RFP from the responsible contracting office. Synopses are published in the Commerce Business Daily (CBD).<sup>58</sup></li><li>(2) A notice of award published in the Commerce Business Daily (CBD).<sup>59</sup></li></ol>

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<sup>56</sup>See FAR 44.101

<sup>57</sup>See FAR 2.1

<sup>58</sup>See FAR 5.201

<sup>59</sup>See FAR 5.301

**TECHNICAL  
EVALUATION  
REPORT**

The document which records this information for review by the contracting officer, SSEB, or SSA.

**TECHNICAL  
FACTORS**

Factors other than price-related used in evaluating offers for award. Examples include technical excellence, management capability, personnel qualifications, prior experience, past performance, and schedule compliance.<sup>60</sup>

**TECHNICAL  
LEVELING AND  
TRANSFUSION**

Negotiation tactics prohibited under FAR 15.610. Technical leveling means helping an offeror to bring its proposal up to the level of other proposals through successive rounds of discussion, such as by pointing out weaknesses resulting from the offeror's lack of diligence, competence, or inventiveness in preparing the proposal. Technical transfusion means disclosing technical information supplied by one offeror (or otherwise pertaining to that offer) to other, competing offerors.<sup>61</sup>

**TERMS AND  
CONDITIONS**

All language in a solicitation and contract, including amendments, attachments, and referenced clauses and provisions.

**UNIFORM  
CONTRACT FORMAT**

A format for preparing solicitations and contracts prescribed in FAR 14.201-1 and 15.405-1.

**VALID FACTOR**

A valid factor is one which measures what it claims to measure.

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<sup>60</sup>See FAR 9.104-2 and 15.605

<sup>61</sup>See FAR 15.610(d)

# Appendix

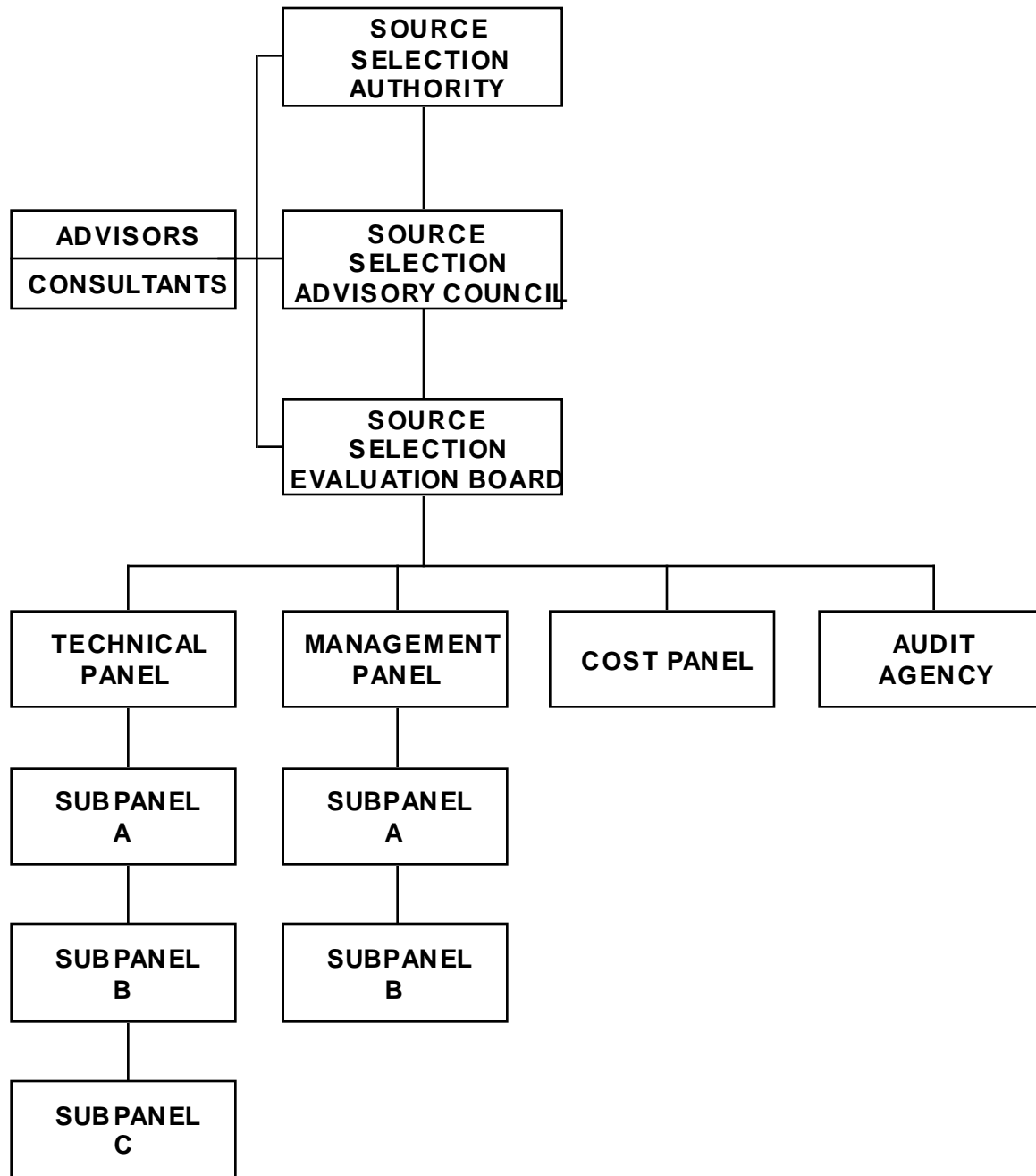
This appendix contains diagrams of alternate  
schemes for source selection organizations  
(*see* Chapter 1)

and

Comptroller General Decisions concerning  
the relative importance of subfactors  
(*see* Chapter 3)

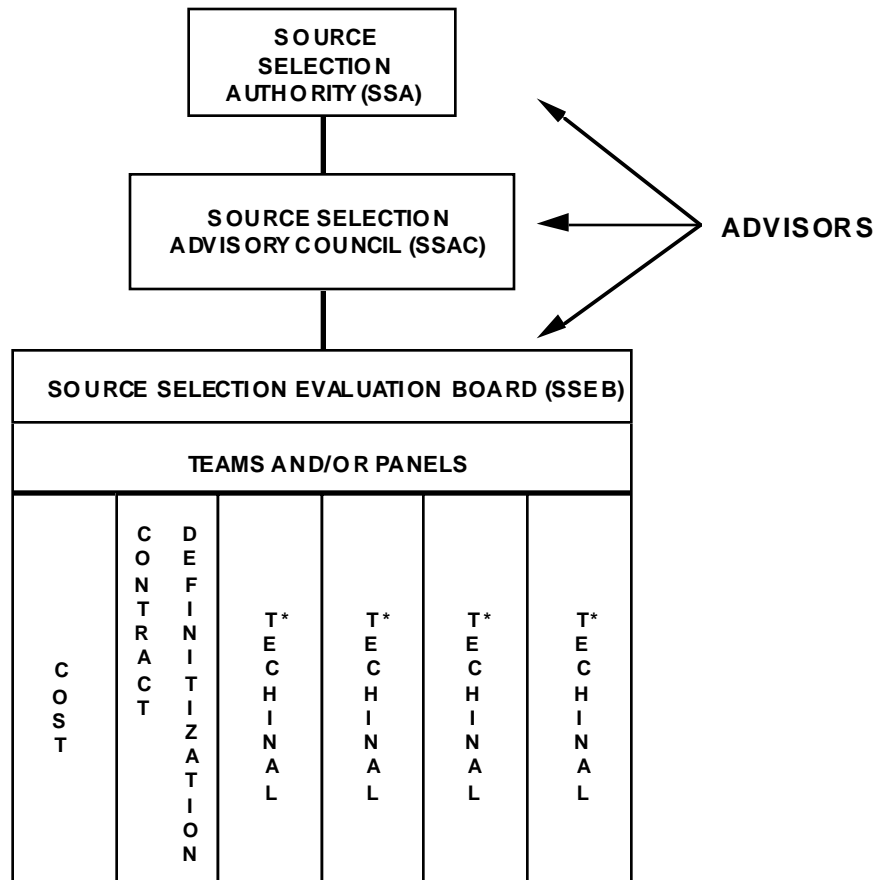




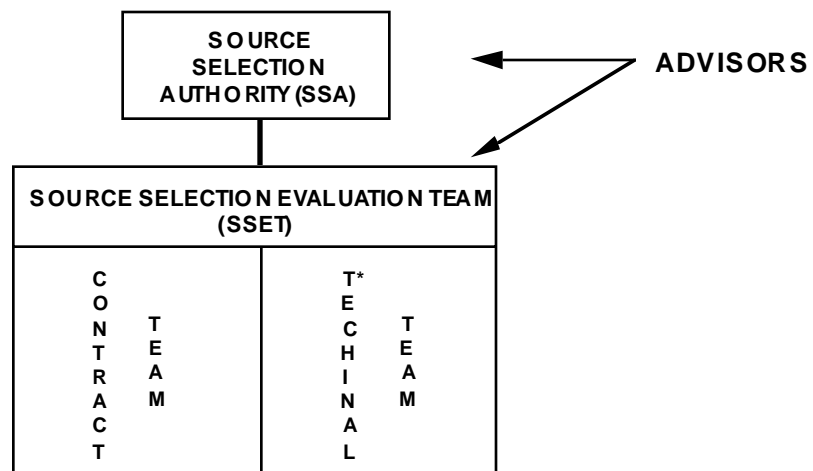
**SOURCE SELECTION ORGANIZATIONS****Example 1**

## Example 2

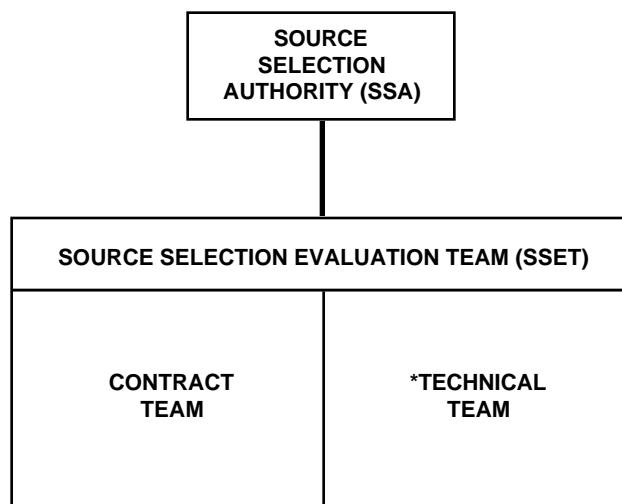
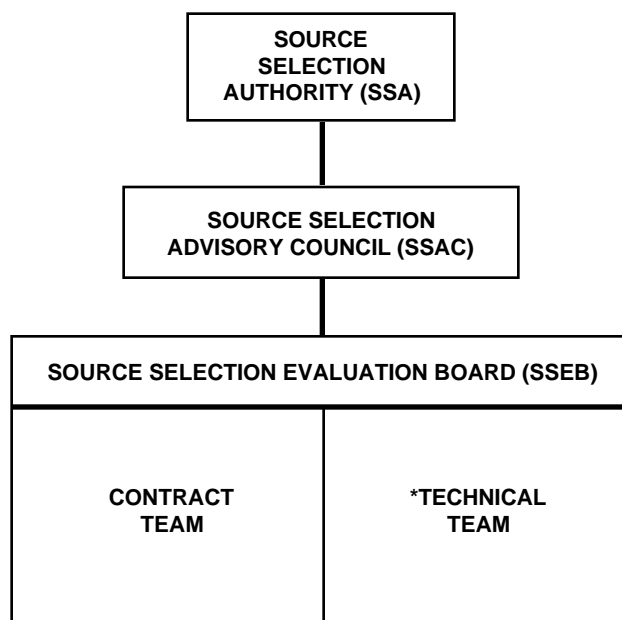
### PRIMARY ORGANIZATION EXAMPLE:



### SIMPLIFIED ORGANIZATION EXAMPLE:



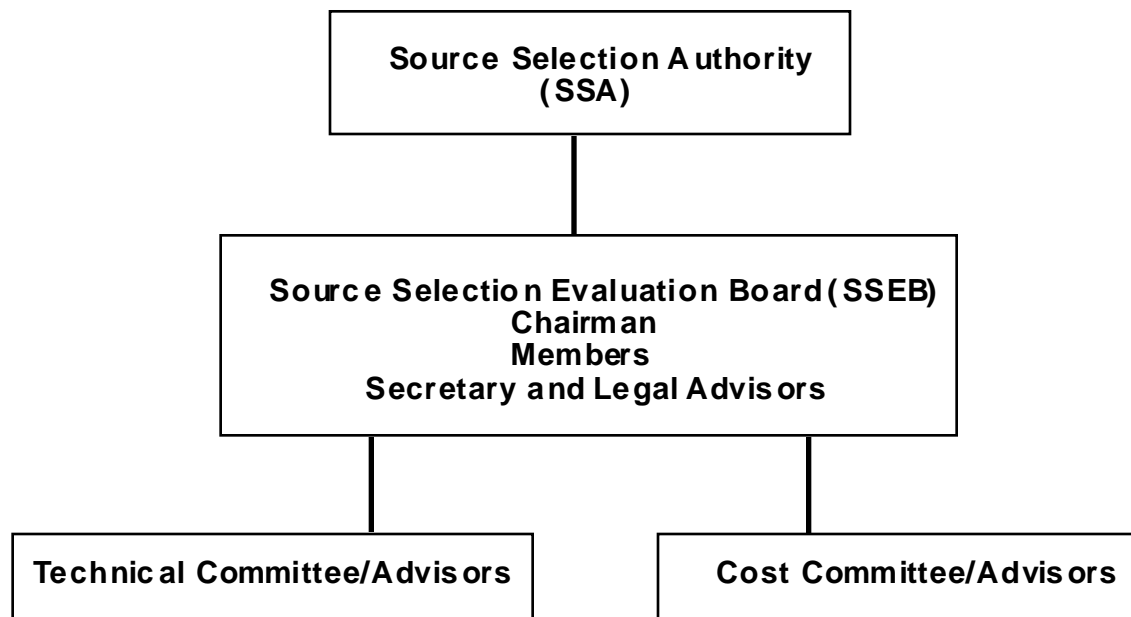
\* "TECHNICAL" in this context refers to teams necessary to evaluate the proposal areas using specific criteria. These are other than cost (price) and contract definition. Examples might be Engineering, Logistics, Management, Testing, etc.

**Example 3****PRIMARY ORGANIZATION EXAMPLE:****SIMPLIFIED ORGANIZATION EXAMPLE:**

\* "TECHNICAL" in this context refers to teams necessary to evaluate the proposal for other than cost (price) and contract matters. Examples might be Engineering, Logistics, Management, Testing, etc.

**Example 4**

**SOURCE SELECTION ORGANIZATION**



## COMPTROLLER GENERAL DECISIONS

### Relative Importance of Subfactors

**Comp. Gen. B-247116 (5/5/92)**

An award to the low priced, technically acceptable offeror rather than a technically superior, higher cost offeror is improper where the record fails to establish how the decision was consistent with the RFD's evaluation scheme, which stated that technical merit was more important than price.

**Comp. Gen. B-243018, B-243019, B-243021 (6/28/91)**

An award to a higher-priced, technically superior offeror was improper where the agency's technical evaluation was flawed and the price evaluation method effectively gave no weight to price, and the protester—the low-priced offeror—might have been the successful offeror despite technical deficiencies had evaluations been properly conducted.

**Comp. Gen. B-244385 (10/8/91)**

Where a solicitation provides that technical merit is four times more important than cost, an agency may not award to a technically inferior proposal that offered a relatively small advantage without giving a “cogent” explanation.

**Comp. Gen. B-244546 (10/25/91)**

Where the solicitation provides that technical superiority was more important than cost, an agency may not award to the low-cost, technically acceptable offeror without addressing technical merit.



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